

# THE TERRIER

THE JOURNAL OF ACES - THE ASSOCIATION OF CHIEF ESTATES SURVEYORS & PROPERTY MANAGERS IN THE PUBLIC SECTOR

VOLUME 22 ISSUE 4 WINTER 2017/18



## ACES

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VOLUME 22 - ISSUE 4 - WINTER 2017/18

## EDITORIAL

Betty Albon

Welcome to this edition of The Terrier.

Wishing all Terrier readers a happy, healthy and prosperous year ahead. That's quite an ask, I realise. No need to mention the shenanigans that are going on throughout the world.

Well, ACES has a new President – Neil McManus of Suffolk County Council, I am proud to report. This issue includes the proceedings at the Annual Meeting held at City Hall, Cardiff, on 17 November 2017. It was a good event, thank you Welsh colleagues, for helping to make it a memorable occasion.

In addition, this issue concentrates on the crucial issue of housing, and in particular, the national RICS context, the role of local authority partnerships, and community involvement. There are a series of fascinating articles on shared services, public sector partnerships and asset management, as well as the annual rural round-up from one of our long-standing advertisers, Knight Frank. Then there is a smattering of pieces from ACES' members, both professional and just interesting! I'm a bit light on branch news this time – obviously too many Christmas excesses to divert branch secretaries. I'm sure new year's resolutions have included "I must submit my branch report every quarter, for Terrier."

For those of you who always start at the back page, you will already have discovered that there is no Scribbler column. The Scribbler apologises for this, but he continues to have health issues which prevent his caustic humour from flourishing. I am monitoring the situation, and sincerely hope he can soon put digit to keyboard.

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Cover photo: ACES President, Neil McManus, the Marble Hall, Cardiff City Hall.





## ACES ANNUAL MEETING 2017 – PRESIDENT’S KEYNOTE ADDRESS CARDIFF 17 NOVEMBER 2017

Neil McManus BSc(Hons)

Good afternoon ladies and gentlemen. I would like to thank you all for taking the time to attend the AGM and luncheon; it is great to see so many of you in Cardiff.

It is a real honour and privilege to be standing in front of you as the new ACES President. I really do take that role bestowed upon me seriously and it is something which I will undertake to perform to the best of my abilities. I am most grateful, and feel humbled that you have placed your trust in me to lead ACES over the forthcoming year.

There are a number of thanks that I would like to make. I am most appreciative to Cardiff Council for hosting today in this magnificent building and would like to thank Helen Thomas for all her organisation behind the scenes. It is tremendous to see so many members of the Welsh Branch here today, which reinforces the importance of ACES as a national organisation. We rotate the installation of the new President between Wales, Scotland, and England – and for me it is extra special to be inaugurated in Wales, as I have a great affinity with this part of the country, having made frequent visits to Penarth when I was younger, to see my grandparents.

I would like to give thanks to the Leader of Cardiff Council, Councillor Huw Thomas, for being in attendance and for providing an excellent and informative presentation about the redevelopment



of Cardiff. There were a few statistics which were quite alarming, particularly the life expectancy between rich and poor in today's society.

I would also like to give thanks to Richard Baker, who is the Head of Estates & Professional Services at the Office of the First Minister and Cabinet Office, for providing an excellent and informative presentation on the National Asset Working Group in Wales [Ed – both papers are summarised in this edition of Terrier]. I would like to thank Jonathan Fearn and Charles Coats for their help in organising the speakers and other matters.

The lunch in the Marble Hall was delicious, so thanks to the caterers for providing a top-quality meal with excellent service. Our thanks go to

Adrian James of Bruton Knowles who very kindly sponsored the event. We hope that we will continue with the sponsorship, not just with yourselves, but ACES would really encourage other sponsors to come forward, as they are an important part in terms of ACES network, and are much appreciated. I hope that over the forthcoming year we can continue to build on the strong relationships with existing sponsors, plus encourage new sponsors to work with ACES.

Turning now to ACES' members – there are a number of people I would like to thank. First and foremost, Daniella Barrow, the Past President of ACES. Daniella has done a sterling job over the last year in successfully driving the organisation forward and consolidating ACES as the premier league organisation

for property managers in the public sector. It is a real success for you personally, Daniella. This time last year Daniella talked about developing, planning, and sustaining a successful future for ACES and our members – she has certainly achieved that. I have a very tough act to follow! Her highly successful conference in Leeds was excellent, well attended and well received – demonstrating the ongoing relevance of ACES in terms of leading best practice and innovation in asset management across the public sector.

Standing behind the President are the solid foundations of the organisation, without whom ACES would not function. Keith Jewsbury, as National Secretary, has been the rock of the organisation, keeping us all on the straight and narrow. We will seriously miss you in this role, although you will still be on hand to offer wise words and good counselling, so thank you indeed. I am delighted that Trevor Bishop will be taking over the Secretary role and I am very much looking forward to working with him. No pressure Trevor, but you have a tough act to follow as well! No organisation that wants to be successful can function without an excellent Treasurer, and in the Scot, Willie Martin, we are very fortunate to have someone who has put ACES on a sound financial footing.

One of the great strengths of ACES is the smooth transition from Junior Vice-President, to Senior Vice-President and finally President. Good succession planning is key to the ongoing success of ACES, and that can sometimes be seen as a challenge, as we rely on willing volunteers to step forward. I will revisit this issue shortly. But, looking ahead I am very pleased to have Graeme Haigh as Senior Vice-President and Peter Gregory as Junior Vice-President. A good team, and I'm looking forward to next year and taking matters forward with Graeme and Peter. And at the national level I would like to place on record my thanks and appreciation for the many people who attend the national Council meetings, branch representatives and liaison officers, who prepare regular professional reports to ACES Council.

And last but certainly not least, on behalf of ACES I would like to place on

record our thanks to Betty Albon who is editor-in-chief of the 'Terrier' and the 'Asset'. I know that Betty has recently been burning the midnight oil on both publications. The Terrier is a 'weighty tome' which always in every edition makes for an interesting and informative read, with excellent articles on best practice in asset management across the public sector. I am sure that all of you agree that the Terrier publication is an excellent read, providing top quality professional articles. Well done for cajoling and twisting people's arms to contribute. Indeed, a number of this year's entries for the ACES Award for Excellence are based on articles previously published in the Terrier – something which I would like to encourage for future years.

I first became involved with ACES via the Eastern Branch many years ago when William 'Bert' Marshall was the County Land Agent & Valuer for Suffolk County Council. Bert took great pride from being the last of an endangered breed of 'County Land Agent & Valuer'. In the early days I can always remember being nervous of attending these meetings because it seemed to me that only senior and chief officers attended. However, I very quickly realised that they were a rather friendly bunch of people and covered a wide-range of relevant property matters and problem-sharing: the networking with similar minded professionals across the eastern region was an excellent opportunity to share best practice or problems.

It was also around this time that I first came across a bubbling, energetic, and enthusiastic person – known as Betty. In those days, best value was in its infancy and the thought of public sector organisations working together, sharing buildings and staff was verging on heresy. But via ACES the 'Bert & Betty Roadshow' on best value and partnership working was born. This was almost a national roadshow. What was then seem as revolutionary is now accepted as standard best practice. That's what ACES can do.

Fast-tracking forward a number of years, I was very fortunate to take on the role of ACES Eastern Branch Chairman. As always, ACES must move with the times

and we realised that the branch meetings needed to be much more CPD-focused, primarily because surveyors are ever more busy in today's world, and meetings had to be relevant to practicing surveyors to attract them from taking time away from their ever-pressured day job. This approach has proved highly successful with good member turnouts for every branch meeting – as I know it has for other branches. In this respect, I would like to place on record my formal thanks to Duncan Blackie, the Eastern Branch Secretary, who has done a sterling job over a vast number of years, in terms of bringing the Eastern branch out, and the team, for reinvigorating the branch and for supporting me in national ACES matters.

As part of my Presidential year, I am greatly looking forward to attending all the ACES branches and meetings and seeing as many members as possible. However, there are a few challenges looking ahead:

- a. The branches are the life-blood of ACES – we must keep recruiting new members to ACES by remaining relevant. The organisation must be viewed by practicing public sector property professionals as an essential part of the 'tool-kit' in helping to add value to the day-job. Councillors and chief executives should view ACES' membership as an essential 'badge' for property professionals in the public sector to wear
- b. Succession planning and willing volunteers – ACES relies on people willing to step forward. We need to nurture and encourage people across all levels of the organisation to step forward and take on roles in ACES, as otherwise ultimately the organisation will wither away
- c. We need actively to encourage graduates, property trainees, and young surveyors to see the relevance of joining ACES. We must be a welcoming and inclusive organisation, especially for young surveyors. There is a looming recruitment crisis of the right people with the right professional skills applying for jobs in the public sector



Gwyn Owen, Essex County Council



Rebecca Jones, City & County of Swansea

- d. We must more successfully bridge any perceived 'gap' between the branches and the national Council. There is excellent work being carried out at both levels and I see the need to share more openly and celebrate that. We have decided to create the position of Branch Liaison Officer to build on the strengths at the branches and also of Council. The recent national conference in Leeds demonstrated how both levels of the organisation can effectively work 'hand in glove' to deliver excellent results.

A key initiative for the forthcoming year is the ACES membership review. The outcome of the recent membership survey is currently being analysed, with a full report to be presented to the January Council meeting. There are plenty of 'gold nugget' comments from members which require careful consideration before any changes are proposed. One of the strengths of ACES is the long heritage of the organisation, so any proposed changes must respect that heritage but, at the same time, we must not shy away from modernising the organisation to keep it relevant for the ever-changing public-sector property professional. As part of this review, it may be sensible to look at the length of tenure of certain roles within ACES – I know that talking to Daniella it has been challenging to fit the President's role alongside her demanding day-job and, just at the

point of establishing a good balance, she then becomes a Past President. We will be considering a slightly longer role for the President for the organisation in the future, to resolve the challenge of making changes in the current quick turnaround.

I firmly believe that ACES must remain an outward-looking and inclusive organisation, willing to embrace change and promote innovation in public-sector asset management. In this respect, we will continue to develop closer links with the RICS, and the public health sector. I would like to thank Neil Webster for the hard work he has done in establishing strong links with Public Health England. We need to re-establish our regular meetings with the Department for Communities and Local Government. And, as an organisation I strongly believe we must be more embracing of what the private sector brings. We must carry on with our close collaborative working with the private-sector because they are an essential component nowadays for the public sector property professional – indeed in many cases the entire property function is outsourced to an arm's-length company or the private sector.

I am extremely pleased to inform you that Charles Coats has reinvigorated the Rural Branch – rebranded ACES Rural. We were in real danger of this sector folding. There was a particularly productive and informative meeting at the end of October, with 22 people in attendance, representing 13 different councils and 2

Defra officials. The meeting was timely, as Defra is on the point of issuing a major initiative relating to the future of county farms, and ACES is well placed to give some sound advice to central government about county farms. I am sure with Brexit looming ever-closer, UK-PLC food production will creep up the agenda – particularly when the EU Farm Subsidies disappear.

Probably the single biggest challenge still facing the public-sector is the ongoing budget cuts, illustrated this morning by Councillor Thomas. For ACES this means to:

- Ensure that ACES members are the best-placed people working in the public sector to have the knowledge and understanding of property assets by which they can continue to seek out opportunities for income-generation and revenue reduction. This is the theme for the 2018 national conference in Cambridge on Thursday 20 September 2018
- Continue to provide excellent networking and the best organisation that promotes and shares best practice and innovation in asset management, both at branch and national level. This will assist in retaining existing members and attract new members.

I am proud and honoured to be your new ACES President.

## ACES Award for Excellence 2017

As part of my Senior Vice-President role, I have had the great pleasure of coordinating the annual ACES Award for Excellence in Property Management. This Award has been successfully running for a number of years and quite rightly, highlights good practice across the public sector which we do need to celebrate and applaud. Last year's worthy winner was Public Health England, who made a really good presentation at the Leeds Conference.

The aims of the Award are to:

- publicise ACES and the role of asset managers in local government and the wider public sector
- highlight innovation and to foster good practice by public sector asset managers; and
- encourage public sector asset managers to recognise and publicise the good work that they routinely carry out in the course of their daily work.

The criteria for the Award are as follows:

- the successful achievement of a job well done
- enabling the authority to achieve one of its key objectives; and
- demonstrating some or all the qualities of initiative; innovation and imagination; professional skill; value for money and best value; delivery against the odds; improving service delivery; effective asset management; enhancements to customer service; and giving social/community value.

I am very pleased to tell you that this year we received 14 entries – which is a record number of entries. So – firstly, I would like to thank all those colleagues who took the time and effort to complete the application forms and submit the excellent entries. The entries are from the length and breadth of the country – demonstrating the diversity of ACES as a truly national organisation, delivering good practice

across the public sector. All the entries are highly impressive, giving the judges great difficulty in selecting a winner and a highly commended runner up. It is particularly pleasing to receive 4 separate entries from the London Borough of Brent.

A number of entries this year were based on Terrier articles – something that I think should be carried forward and encouraged for the Award in future years. This was very successful, and made authors realise that what they had submitted as an article was actually worthy of an application for the national Award. I would also like to thank my partners in crime – Neil Webster and Trevor Bishop – both of whom ably assisted me with scoring and evaluating the 14 entries.

In overall terms there are no losers but ultimately, we had to select a highly commended entry and a winner.

The highly commended award goes to Gwyn Owen of Essex Housing, which is part of Essex County Council. A partnership approach to housing delivery, Essex Housing manages the entire end-to-end development process, starting at the point of land identification; undertaking design and securing planning permission; overseeing contractor build and sales, and marketing of completed schemes. Gwyn – many congratulations on behalf of ACES.

Now the moment you have all been waiting for! The 2017 winning entry is for delivering an innovative office furniture project as an integral part of the office asset management programme, which includes the implementation of agile working that has added significant economic, environmental and social benefits. The judges were highly impressed with the originality of the entry and its successful delivery, with measurable outcomes. The only proviso being – the winners will be asked to give a presentation of their work at the 2018 ACES National Conference in Cambridge.

I am therefore pleased to announce that the 2017 ACES Award for Excellence winner is Rebecca Jones who works within the Corporate Property Facilities Team of the City & County of Swansea.

Rebecca's project generated significant income, while reducing costs, and complemented the council's wider innovation programme. Rebecca – many congratulations on behalf of ACES.

That brings today's proceedings to a close. I would again like to thank you all for attending and making my day very special. I hope to see most of you over the forthcoming year. Can I wish you all a happy Christmas and a peaceful New Year – and a safe journey home.

## The submissions

Below is a brief summary of the submissions (in no particular order).

West Lindsey District Council  
Re-provision of industrial units

Essex County Council  
Housing delivery

Cheshire East Council  
New leisure centre

London Borough of Brent1  
Living wage introduction

London Borough of Brent2  
Provision for homeless households

London Borough of Brent3  
Community asset transfer

London Borough of Brent4  
Property rationalisation

NPS South West Rating appeal

Isle of Wight Council  
Property development deal

NPS Group  
Passivhaus housing delivery

City & County of Swansea  
Office rationalisation

Dorset County Council  
Office relocations

Suffolk County Council  
Asset optimisation

Conwy County Borough Council  
Office rationalisation





## RESPONSE TO THE PRESIDENT'S KEYNOTE SPEECH

Betty Albon

President, guests and ACES members,

Thank you President, Neil, for giving me the opportunity to respond to your speech. It gives me especial pleasure to do this here, as 12 years ago, I stood in this fantastic room to give my own Presidential address. I can remember feeling extremely nervous on that occasion, and I could not tackle the enormous plate of pasta that was put in front of me. My responder, James Grierson, seemed equally troubled in tucking into his roast Welsh lamb. Why we should both feel nervous when we were addressing friends and colleagues, I just don't know. You all understand: when you have made presentations to council members, you are just waiting for somebody to catch you out, but to make a speech here - and I'm sure you felt it Neil - there's a warmth among the 'ACES Family' and it is just special.

It really should be Bert Marshall who is standing here delivering this address. He was the one to spot Neil's potential and allow him to develop his skills at Suffolk County Council. Unfortunately, Bert isn't well enough to be here, but I know he is thinking of you Neil, and continuing to encourage you, as you take on this new challenge, which I am sure you'll rise to.

When Neil asked me to be his responder, he invited me to "tell it how it is - warts an' all". If I might say, that is a risky thing to say to me. I have known Neil since he was a fresh-faced youth, almost in short trousers. I believe it was sometime in the early 1990s, when property people from St Edmundsbury

got together with property people from Suffolk County, in what was then pretty revolutionary joint working. Do you remember the 1st meeting? Probably Brian Prettyman does as well? We met up for a lunchtime pie and pint in the King's Arms, Haughley, a village midway between Ipswich and Bury St Edmunds. And I have to say, we all got on like a house on fire, and our joint working initiatives - which were good then - are continuing in some fabulous projects between county and districts. Well done you! And well done everybody else who is doing this.

Neil had gone to work at Suffolk in 1988, having just qualified - first time - as a chartered surveyor. He had previously held a trainee surveyor job at Kent County Council with 3 other Portsmouth graduates, at a time when local authorities were actively recruiting graduates. Something I didn't know about Neil - he had previously spent a sabbatical year working as a shepherd, and appropriately for today, tending a flock of around 400 Black Welsh Mountain sheep, and becoming a catalogue model for woolly pullovers! I suppose you could argue that he's come full circle for another sabbatical year (except he has also got to hold his job down!), but this time his 'flock' of 400 are all hard-working public sector employees.

But anyway, when I met Neil, we became particular friends, as well as rivals on the squash court, where he really was in short trousers - and I suppose I could have discovered some warts then, if he has any? Adrian James has asked me to keep this speech clean,

so it remains our secret, Neil.

Working for Bert, Neil's initial role as estate management surveyor was soon extended, when he was made responsible for the travellers' service (not an easy task), waste management property advice to secure landfill sites, and managing the corporate land bank. He then next headed up the Facilities Management team.

In recent years, Neil has taken on the difficult role of Development Contributions Manager - ensuring that growth is supported by appropriate infrastructure through s106 agreements and CIL. This is a county-wide role, and Neil has to work with surveyors, planning officers, parish and town councils, the blue light and health services, councillors and all the local interest groups. While this is not what we'd look on as a mainstream estate surveyor or asset manager role, Neil has the impossible task of trying to curb the natural tendencies of our national housebuilders - who seem to have a stranglehold on development these days - to make the most profit and provide as few facilities for their residents as they can get away with. And what better illustration of all public sector services working together for the benefit of our communities?

Neil has been an excellent chairman of Eastern Branch, working with Duncan Blackie to really build up the CPD meetings, which are regularly attended by around 50 delegates. While Keith would like them all to become members, Duncan has been able to



recruit some of them to the ACES ranks. Brian and Duncan together are continuing this valuable work at branch level, which is one of the mainstays and strengths of ACES.

I'm confident that Neil will continue in Daniella's shoes, to be an effective ambassador for our organisation. I wish him every success, and look to you all to give him support during his exciting,

but challenging year. But most of all, friend and colleague, Neil, enjoy a fabulous year ahead.

TO THE ASSOCIATION



## NOTES OF ACES ANNUAL GENERAL MEETING HELD AT THE COUNCIL CHAMBER, CITY HALL, CARDIFF ON 17 NOVEMBER 2017

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Trevor Bishop, ACES Secretary

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The Secretary reported 45 apologies for absence. The minutes of the Annual General Meeting held in London on 18 November 2016 were approved as a correct record.

### ***Annual report of Council***

The President presented a comprehensive report on the work of Council and the Association for the year 2016/17 which was noted [Ed – report available on website [www.aces.org.uk](http://www.aces.org.uk) under Minutes]. The President thanked all for their valuable contribution to a successful year for the Association.

She also thanked Keith Jewsbury for all his hard work as ACES Secretary and presented him with a token of the appreciation of herself and the Association.

### ***Financial matters***

The Honorary Treasurer presented his report containing the accounts for the period ending 30 June 2017 with recommendations for subscriptions for the coming year.



It was agreed to adopt the accounts as presented and to retain Wortham Jaques as the auditors for the coming year. It was further agreed to maintain the annual subscriptions level to £125 for full members, £80 for additional full members and associate members, and retain the current £40 for retired members.

### ***Annual conference 2017, Leeds***

The President reported on the Annual Conference 2017 held in Leeds.

The President noted a very successful event providing good value for money and good feedback from delegates on the speakers and networking. The conference was held over 2 days, with

the opportunity to attend individual days and there was good attendance on both.

### **Summary of membership survey**

The Senior Vice President presented a report on the results of the recent member survey on membership of the Association. Further analysis of the survey was required and the recommendation to establish a working party, with a brief to report to ACES Council in January 2018, was approved.

### **ACES/DCLG Working Party**

It was agreed that the following members serve on the Working Party for 2017/18:

B Albon, L Dawson, T Fleming, H McManus, N McManus, G Haigh, P Gregory, P Over, J Pilgrim, D Barrow and T Bishop.

### **Officers of the Association**

The following were approved as officers of the Association for 2017/18:

President Neil McManus

Senior Vice President  
Graeme Haigh

Junior Vice President  
Peter Gregory

Immediate Past President  
Daniella Barrow

Secretary Trevor Bishop

Hon Treasurer Willie Martin

Editor Betty Albon

Hon Auditor  
Wortham Jaques Limited

### **Liaison officers**

The following were approved as liaison officers for 2017/18:

Compensation Roger Moore

Valuation Michael Forster

Rating & Taxation John Murray

Housing Rachel Kneale

Corporate Asset Management  
Barbara Vernon

Commercial Asset Management  
Andy Kehoe

Agricultural Asset Management  
David Job

Performance Management  
Jeremy Pilgrim

Sustainability Lee Dawson

Consultation Graeme Haigh

RICS  
Sam Partridge and Daniella Barrow

DCLG/ACES Heather McManus

Post Graduate Courses  
Malcolm Williams

CPD Events Neil Webster

Branch Liaison Keith Jewsbury

### **Council membership**

Richard Allen and Tim Foster were elected to serve on Council for 2017/18 representing Past and Honorary members of the Association.

## **Why not use the ACES website for advertising your job vacancies?**



ACES now has a live Jobs Page (open to all) on the ACES website to cater for member and non-member organisations advertising for public sector property posts. See [www.aces.org.uk/jobs/](http://www.aces.org.uk/jobs/)

The page gives a summary of the available post with the details of location, salary and deadline and provides a link to the organisation's own website for further details and application form etc.

At an introductory rate of just £250.00 per advert for ACES' member organisations and £400.00 for non-members for a maximum of 4 weeks' exposure on the ACES website, this is excellent value!!

Just £250.00 to gain direct access to likely candidates already working in the public sector property arena with the expertise and experience that you are looking for.

Contact the ACES Secretary, Trevor Bishop, at [secretary@aces.org](mailto:secretary@aces.org) for further information.



Chris Rhodes, Tom Fleming and Paul Over were elected as directly elected members of Council for 2017/18.

Future meetings

The following meetings were noted:

Annual Conference  
20 September 2018 Cambridge

Annual Meeting  
16 November 2018 London

Annual Conference  
September 2019 TBA

Annual Meeting November 2019  
Edinburgh/Glasgow

ACES Council 26 January 2018  
Guildhall, London

ACES Council 20 April 2018  
Guildhall, London

ACES Council 20 July 2018 TBA

### **Any other business**

Heather McManus to report at a further date on the potential for including the RICS on the DCLG Working Party. Heather also commented on establishing formal liaison with CIPFA, which will be addressed at a future meeting.

A question was raised on the possibility

of introducing a conference video streaming service for branch members who were not able to attend the venue. It was agreed that ACES Council would explore the practicalities and implications and Neil Webster would take a lead role.

The meeting closed and was followed by 2 presentations and the annual lunch.

## MEMBERSHIP Trevor Bishop

I list below the changes in membership between 1 October and 31 December 2017.

### **New members approved**

There were 8 new applications approved during the period:

First Name	Surname	Organisation	Branch Ref
Ross	McLaughlin	Argyll & Bute Council	S
Margaret	Birtles	Bedford Borough Council	HE
Bleddyn	Evans	Conwy County Borough Council	W
Louise	Risk	Halton Borough Council	NW
Kevin	Tobin	Jacobs UK	NW
Sara	Cameron	Norfolk County Council	E
Bryan	Walker	Scarborough Borough Council	NE
Andy	Bond	Sefton Council	NW

### **Transfer from full to past membership**

1 member transferred to past membership during the period.

First Name	Surname	Branch Ref
Trevor	Bishop	NW

Note: One member also transferred back from Retired to Full status.

### **Resignations**

15 members resigned during the period:

First Name	Surname	Organisation	Branch Ref
Adrian	Piper	Bedford Borough Council	HE
Stephen	Nicholson	Bradford Metropolitan District Council	NE
Bess	Martin	Calderdale Metropolitan Borough Council	NE
Ian	Wilson	Cambridgeshire County Council	E
Hugo	Mallaby	Cambridgeshire County Council	E
Colin	Wright	Concertus	E
Katie	Walters	Gedling Borough Council	HE
David	Blanchard	Melton Borough Council	HE
Derek	Woods	NHS Property Services Ltd	NW
Andrew	Stevens	Nottinghamshire County Council	HE
Diana	Vickery	Valuation Office Agency	SE
Michael	Linsdell	West Suffolk Council	E
Graham	Brooker		L
Paul	Brooks		SE
Dale	Clarke		NE

### **Summary of current membership:**

Total membership	
Full	218
Additional	52
Honorary	33
Associate	28
Retired	37
<b>Total</b>	<b>368</b>





This presentation was made at the ACES Annual Meeting held in City Hall, Cardiff.

## MAKING BETTER USE OF OUR PUBLIC ASSETS

Richard Baker

*Richard is Head of Estates and Professional Services at the Welsh Government and Workstream Lead for the National Assets Working Group. [Richard.Baker@gov.wales](mailto:Richard.Baker@gov.wales)*

### General context

Richard is a chartered surveyor by background, having been in the Welsh Government for 12 years, leading a small team based within the office of the First Minister Cabinet Office. This is an independent estates team, which gives advice which is not held by any party. There is an internal and external-facing role, and this talk is on the external, wider engagement with the public sector, linked to the National Assets Working Group (NAWG).

### Financial context

There are significant pressures on the Welsh Government's budget. It is 7% lower in real terms than it was in 2010/11, which equates to over £1bn less to spend. Based on projections, Wales will face further budget cuts from the UK government in 2019-20 – it could mean up to a further £175m reduction in the funding available for our public services.

We continue to face difficult times ahead and difficult decisions. We are no clearer on the impact of Brexit, nor future pressures. Add to this, reducing budgets, and increasing pressure on

services, so it is important that we make the best use of all our existing resources. Some additional taxes are being mooted, such as the vacant land tax, and these are at the early pre-consultation stages.

### Welsh government policy context

The slide shows the policy context for Wales. We have the 'Taking Wales Forward' programme, which was announced following the elections; more recently we announced the 'Prosperity for All' strategy, which is linked to adopting a whole government approach to attack the challenges Wales faces. The Welsh government has been accused of working in silos and part of this strategy is that it will engage more widely with the Departments than they have in the past, to achieve more added value benefits.

The strategy is aligned to the well-being objective and new ways of working, collaborating, being inclusive, and integration. It is early days, and teething problems are expected. These well-being objectives are shown on the slide.

The assets agenda cuts across the policies: assets are seen as a key resource and a key enabler to improve the more effective delivery of services,

generating capital receipts and being better at how we manage and utilise assets. This should also bring more profile to the assets agenda and encourage innovation.

### Policy context

The 'Reforming Local Government: Resilient and Renewed' White Paper consultation sets out the proposed arrangements for regional working; a strengthened role for councils and councillors; a framework for any future voluntary mergers; and a way forward for community councils. There is a need to support local authorities to be financially resilient and able to maintain and improve services during this unprecedented period of austerity.

### The National Assets Working Group (NAWG)

This is very familiar to the ACES delegates representing Wales. Since 2011, NAWG's aims are to:

- Enable and influence organisations to adopt a collaborative approach in asset management
- Share best practice guidance and case studies



Commercial property  
Asset valuations  
Building surveying  
Project management  
Estates management  
Planning

Income generation  
Asset management  
Design service  
Portfolio rationalisation  
Compulsory purchase  
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[nps.co.uk](http://nps.co.uk)

- Put in place tools to support and encourage the realisation of the efficiencies and benefits that can be derived from proactive, strategic estate management

- Provide high quality support for the delivery of public services.

Tools developed enable these activities to take place, and are:

- e-PIMS 'lite'
- Estates Co-ordination and Land Transfer Protocol
- Community Asset Transfer Guidance
- Assets Cymru
- Space Cymru – public access portal
- FindMeSomeGovernmentSpace
- Best practice guidance and case studies

NAWG does not have a mandate to force authorities or public bodies to adopt these tools, or engage with this agenda. However, there has been a large practical response by the public sector. The database is based on e-PIMS 'lite', which was developed for Wales, but is now being used by the UK government, using it for its One Public Estate (OPE) programme. The Protocol is being well-used.

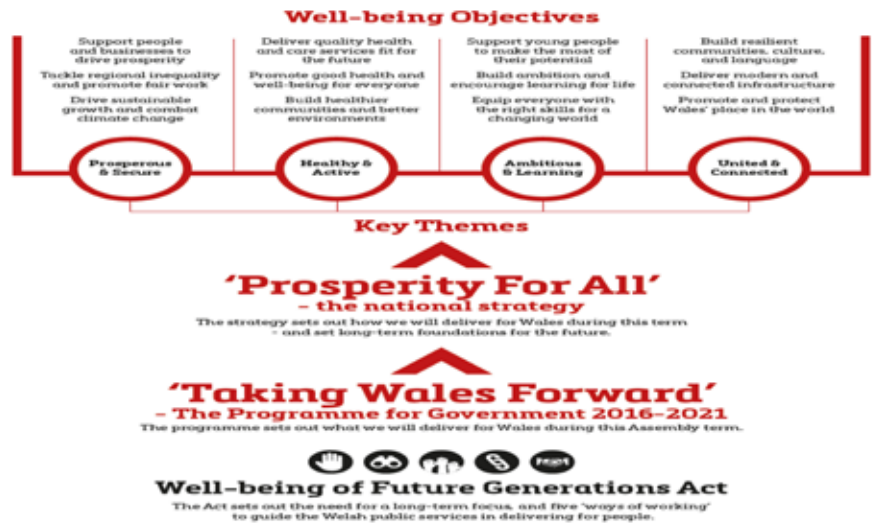
### NAWG moving forward – The Strategy

The chair of NAWG has always been a non-Welsh government person, and is currently Umar Hussain, Chief Financial Officer for the South Wales Police.

There is a move to increase the pace of activity, because of the potential financial advantages.

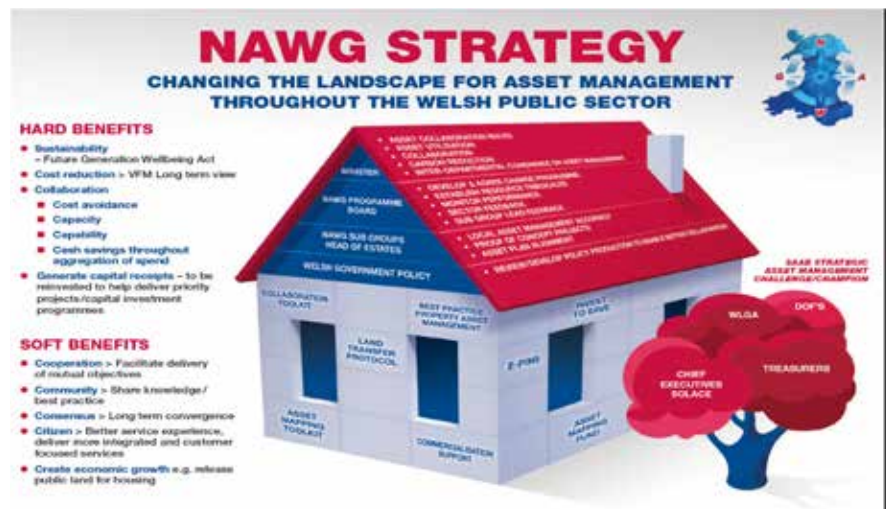
The benefits identified are shown in the slide, for example cost reduction, generate savings, reinvest capital receipts in priority areas, sustainability, and the de-carbonisation agenda, to be carbon-neutral by 2050. Leaders of workstreams will be expected to be more proactive than formerly. ACES

## Welsh Government Context



ACES -National AGM 17th November 2017

## NAWG – Moving Forward



ACES -National AGM 17th November 2017

members are seen as key players in promoting this agenda.

### Cwm Taff pilot study

As part of the move to increase the pace and ambition of the NAWG agenda, in March 2016, the Welsh government approved a pilot study, to investigate the public sector estate on a wider footprint and the opportunities with regard in particular

to the assets. Cushman and Wakefield was engaged to take the study forward, based on their experience in the OPE programme in England, and parts of Wales ("A regional approach to collaboration, Final report" (<http://gov.wales/topics/improvingservices/assets-cymru/regional-approach-to-collaboration/?lang=en>).

Cwm Taff was a good choice as a pilot, as it includes 2 local authorities and



one health board as the key statutory parties to take the work forward. On the whole, it has been a very positive exercise, and this collaborative work has been embraced by the partners, to see what opportunities there are for improvements, by using the asset base. All the partners involved are shown in the slide.

The overarching aim is to identify and maximise the benefits from the public sector estate via a strategic and collaborative approach against 4 key criteria:

- Creating economic growth
- Delivering more integrated and customer-focussed services
- Generating capital receipts
- Reducing running costs.

#### Headline data

- Partners are collectively responsible for c3,263 property assets
- 'Material' assets amounted to c1,521
- Distributed across 133 different locations – the majority of the assets found in Merthyr, Pontypridd and Aberdare
- The partners are responsible for at least 68,900 sq m of office accommodation in 32 buildings
- Running cost outgoings for the material assets are currently circa £32m p.a. – but this is not the complete picture
- Partners also spend c£17m p.a. on estate management – this includes internal and external resource
- The backlog maintenance sum for the material assets is currently estimated at just over £140m
- In total 345 strategic land sites have been identified i.e. could be developed. 96 sites measured more than 0.5 ha and offered potential opportunities for collaboration and had an overall area of c620 ha (1,532 acres).

## Cwm Taf PSB Partners



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## Cwm Taf Pilot Study –Headline Data (3)

### The Partners are clearer about the total cost of estate management

The Cwm Taf Partners spend £16.89m per annum on internal and external estate management resource.

Skill Area	Internal FTE	Annual Internal Cost*	Annual External Cost*
Strategic	6.98	£ 389,300	£ 57,900
Estates (professional)	18.99	£ 559,800	£ 194,600
Capital Projects	32.10	£ 977,800	£ 3,258,900
Facilities Management	182.76	£ 5,208,900	£ 5,656,300
Property Info & Admin	21.58	£ 544,900	£ 43,500
<b>Total</b>	<b>262.40</b>	<b>£ 7,680,500</b>	<b>£ 9,211,200</b>

\* rounded to the nearest £100; does not include all Partners

C&W has concluded that:

- Resource varies widely amongst the Partners.
- 70% resource deployed within FM.
- Limited dedicated Strategic Estate Management capability (6.98 FTE).
- Large Property Info / Admin resource, small part of which is focused on strategic planning.

Source of external resource

	£4.92M	£1.59M	£0.16M
NPS	Direct	Agency staff	
Framework			
	£ 0.35M	£1.90M	
Other		Don't know	

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One of the challenges of the pilot was data collection. In theory e-PIMS 'lite' should have been a good starting point, but there was a big disconnect between actual and recorded assets, which delayed the development of the programme and getting into the 'meat' of the work. This had a detrimental effect at the back end of the project, which prevented drilling down into too much detail during the scheduled project time.

The table shows the detailed costs of estates management. One factor to emerge was the heavy bias towards the cost of FM, and little spend on strategic asset management. This is the reality of having to keep the buildings going, but there isn't the capacity to take that step back and have an overview of the estate and best delivery of services. However, if you can merge resources, you can generate capacity to plan for the longer-term

estate. This is a real challenge, which is probably replicated across the country.

09RBaker Slide4: Headline data

### Benefits

A better understanding of the collective estate and service delivery plans, together with a collaborative approach, offers the opportunity to deliver greater outcomes in respect of:

- New homes from surplus public sector land release
- Enhanced, customer-focussed services through integrated service planning and a better estate to support service delivery
- Annual running costs savings from a rationalisation of the public sector estate and the prudent purchasing of property services
- Capital receipts from the release of surplus public sector land and strategic brownfield sites
- New jobs associated with the development of surplus land and service improvements.

### Potential programme

The partners have embraced the recommendations within the Cushman report, and have been proactive. Other public sector bodies are being encouraged to follow a similar approach. Looking at the wider context within South Wales, there should be a regional approach to strategic estate management, to integrate services and public sector sites; a collaborative approach to back office space in key locations, enabling agile working; using other programmes, there should be strategic land collaboration to drive economic growth and regeneration, maximising the potential of the City Deal priorities and Metro hubs and corridors.

### Challenges

These are ones which are holding us back from collaboration:

- Different financial/administrative regulations, procedures, lack of funding and flexibility with budgets, are hampering collaboration between partners
- Different corporate, planning and project timescales
- The full cost of the estate remains unknown due to a lack of comprehensive information relating to running costs, backlog liabilities, etc
- Limitations on capacity, dedicated strategic estate management/ collaboration-focused resource and expertise, to pull this together.
- Asset mapping - improved asset data collation and interpretation
- Supporting the development of collaborative projects
- On-going development and re-freshing of the existing NAWG tools and guidance such as the 'Land Transfer Protocol' and 'Community Asset Transfers in Wales – Best Practice Guide'.

Some funding may be available to take forward identified projects, but which lack the capacity to be taken forward. But it is crucial to keep e-PIMS up to date and accurate. This is the big challenge.

A network portal for anyone with an interest in managing public assets: [AssetsCymru@gov.wales](mailto:AssetsCymru@gov.wales) There is a lot of work to be done here, but NAWG wants this to be one of the 'go to' sites for asset management advice in Wales.

### Lessons

The study has highlighted the importance of robust and consistent baseline data to enable a comprehensive understanding of the public sector asset base. The Welsh government response is to recognise the need for national leadership to champion collaboration by providing capacity funding, technical support, reviewing regulations and restrictions, supporting long-term strategies to encourage collaboration at a regional level. To get more out of the resources, pooling will have a bigger impact. At the moment, there is a lost opportunity by this silo/salami slicing of budgets.

### ***Asset collaboration programme Wales***

The study has helped to inform the activities and support to be included within the 'Asset Collaboration Programme' to be taken forward by NAWG. As opposed to the situation in England, there are far closer working relationships with ministers, who are involved on a regular basis and are involved in the agenda, and recognise the importance of this work. NAWG is developing an updated asset collaboration programme, including:

- Development of a 'Collaboration toolkit' which will support partnerships to collaborate across wider geographical and organisational boundaries



# CAPITAL AMBITION

Huw Thomas

*Huw is Leader of Cardiff Council.*

This presentation was made at the ACES Annual Meeting held in City Hall, Cardiff.

A warm welcome to the Association of Chief Estates Surveyors to City Hall. This is probably the finest civic building in Wales. I'm going to talk a little today about Cardiff's journey as a city, over the last 40 years, how it has changed and how it will change over the next 5 years, and charting a course for the next quarter century, and touching on how strategic estates can play a role within that.

## Background of Cardiff

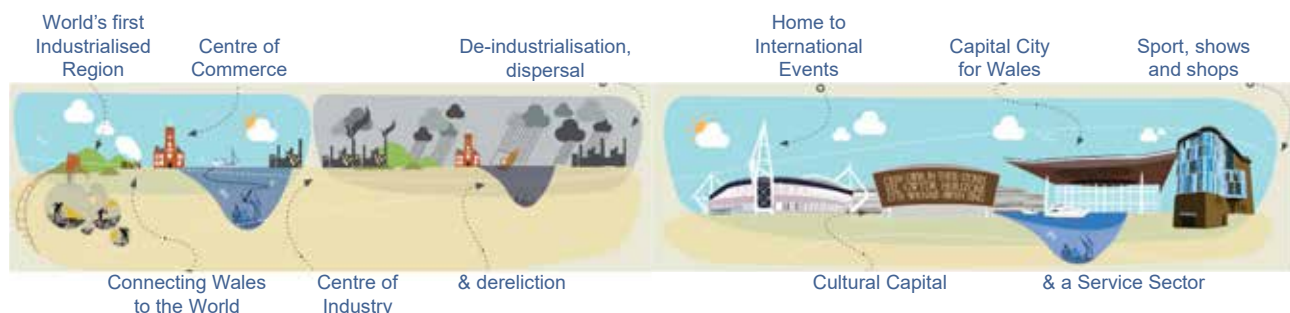
A generation ago, the city was grappling with the challenges which were very

different to those we are grappling with today. It was a city facing challenges of deindustrialisation, experiencing substantial job losses, structural unemployment, severe environmental issues from its industrial heritage, dereliction, and depopulation.

I think you will all have got the sense of how times have truly changed for Cardiff today. It is now a true economic, cultural and political capital. The city economy now ranks among the most competitive of the UK core cities; employment growth and population growth are the fastest of all the core

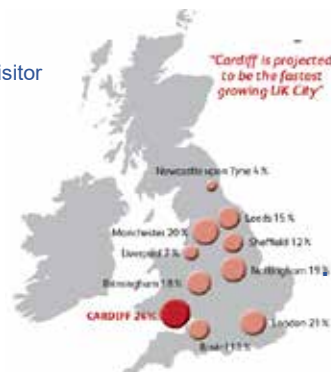
cities; business growth in Cardiff is faster than the UK average.

Nothing underlines the way that Cardiff has arrived as a front-ranking European Capital City more than hosting the Champions League final into the biggest sporting event ever held in Wales, broadcast to a live audience of 200 million people, in 200 countries, putting the capital city of Wales into people's lounges, and generating £45m. As Aleksander Ceferin, the UEFA president himself, said: "We delivered nothing short of excellence." This is a good reflection in the work between Cardiff Council,



## From a city of shipping and industry.....

- Amongst the most competitive UK core cities
- Employment growth and population growth is the fastest of all the Core Cities
- Business growth faster than the UK average
- Fastest growth of international visitors for major UK cities
- Over £1bn in visitor spend



.....to a city of commerce and business



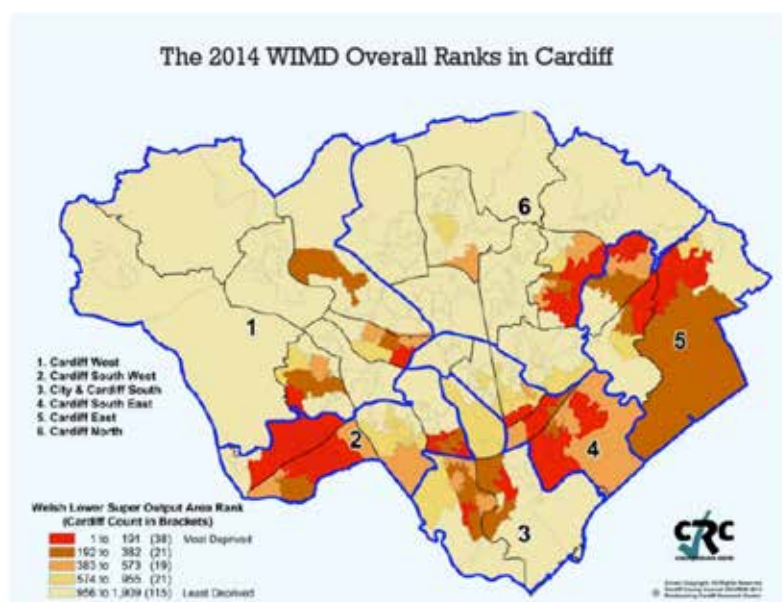
## However.....

Income inequality in Cardiff is higher than in any other British city.

Almost a third of households are living in poverty, one in four children are living in poverty.

The 'Southern Arc' of Cardiff would be far and away the poorest local authority in Wales.

Healthy life expectancy gap of over 22 years between the richest and poorest communities.



the Welsh government and other services, such as the police, in what was a spectacular event. We are now putting the band together to try to attract the Euro 2020 competition to Cardiff.

Cardiff's profile has never been higher, and visitor numbers are growing every year. Undeniably, Cardiff is Wales' strongest economic asset and its brightest hope, in my view, to securing economic success in the future.

### The challenges

However, despite this rosy picture, we do face significant challenges and Cardiff can be seen as a city of 2 halves. Income inequality in Cardiff is higher than in any other British city. There are big differences in economic outcomes. The idea that we can 'grow now and redistribute later' has left too many of our communities feeling isolated from opportunities. Almost a third of households are living in poverty, one in 4 children are living in poverty. If you take the 'Southern Arc' of Cardiff (shown in the slide), from Ely in the west through the Docklands area, and Grangetown, to Trowbridge in the east – an area of over 60,000 people – as a single local authority, it would be far and away the poorest in Wales.

In Cardiff there is a 'healthy life'

expectancy gap between parts to the south of the city and parts to the north, of over 22 years between the richest and poorest communities. Cardiff receives less funding per capita than almost every other local authority in Wales.

We also need to face up to the challenges of growth. Growth puts pressure on both the city's physical infrastructure, and the pressure on the council to deliver public services. To put it in context, Cardiff will grow faster over the next 20 years than the rest of Wales put together. In practice, this means that more school age children will need more schools and employ more teachers; the number of citizens over 85 years old is expected to nearly double by 2030. Rates of dementia alone will double over the next 20 years. In the wider context of the social care crisis across Britain, there are no obvious and easy solutions.

### Capital Ambition

These challenges – of inequality, of growth, of sustainability – must be met with bold solutions and big ideas. Our Capital Ambition for Cardiff, which is the programme for government derived from my party manifesto, I am confident sets out the programme of actions which I am confident offers just that. We are committed to driving the economy forward and making sure that all our

citizens can contribute to, and benefit from, the city's success, in ensuring that we have an economy that works for Cardiff, but also works for Wales, works for the future and for public services, recognising the constant needs for reform of our services.

#### Some ideas for the next 5 years and beyond

- The regeneration of Central Square underlines the extent to which Cardiff is entering a new cycle of investment
- We will complete the new business district and gateway to Wales to the north and south of Cardiff Central Station
- New transport interchange (bus station, where we hope to be on site early in 2018, a re-examination of the railway station, and the South Wales Metro. All have to be fit for purpose, in terms of capacity and image for the region)
- 12-15,000 seat multi-purpose indoor arena, which we want to build, to compete with arenas in London, Manchester and Glasgow. Cardiff needs to work with Bristol on this development

- Continued regeneration of Dumballs Road, linking the city centre with Cardiff Bay
- Rebuilding lost momentum around the international Sports Village
- We will work with our universities and the partners in health to continue to upgrade the city's innovation infrastructure
- And we will develop a new industrial strategy for the east of the city, which represents one of our most deprived areas. This will include a new train station in St Mellons.

Housing is also a key component of what we want to address over the next 5 years. If you talk to any young person in Cardiff about their priorities, alongside getting a good jobs they will almost certainly mention housing. Ask any councillor in Cardiff, they will say that housing is the top issue heard at their surgeries.

Among Core Cities, only across the Severn in Bristol are houses less affordable. There is a housing crisis in Cardiff; about 8,000 people are on the waiting list, and some of them have been on the list for up to a decade.

Cardiff's Local Development Plan (LDP), agreed by the last Labour administration, identifies land for the construction of 40,000 houses. I have been very clear to developers, that of that, 6,500 affordable homes is non-negotiable. Cardiff Council is one of only a handful of local authorities in Wales who have committed to building new council homes. The 1,000 new council homes we will build over the next 5 years is a great start, but we want to go further, if we are able to identify opportunities.

### ***Role of strategic estates***

And of course, within that context, and in the context of austerities, our estates team plays a vital role in delivering our ambitions. After staff, looking after property is our second biggest call on our budget. We spend annually about £60m maintaining our estate. Property is a vital part of how we deliver our

services: and as ways of delivering services change, that implies also looking at the way we use our estate. Land and property is also our greatest financial asset, and is a vital tool in delivering our economic agenda.

### ***The role of strategic estates is to:***

- Create a modern fit for purpose estate
- Reduce costs and address maintenance backlog
- Implement a new corporate landlord model
- Drive economic regeneration – use our estate to support investment in the city
- Deliver capital receipts to support investment elsewhere.

### The council's estate

The council's landholding is second only in ownership to the Church of Wales! It is worth in total around £1bn.

This is split:

Operational estate:

- Over 500 properties
- Current use value of £900m
- Maintenance backlog of £100m
- Running cost of circa £60m p.a.

City Hall in Cardiff itself has a massive maintenance backlog, alone running to tens of millions.

The investment estate

- Over 200 assets
- Current asset value of £90m
- Gross Income of £4.3m p.a.
- Net Income of £3.56m p.a.

This is good, but we need to sweat the assets to make them deliver better value.

### Property strategy targets

10HThomas slide 4: property targets

The Property Strategy 2015-2020 sets a number of key targets on strategic estates (see slide), including ones for generating capital receipts, and reducing the floorspace of the operational estate, running costs and maintenance backlog. Key challenges are:

- Making sure the estate is fit for purpose
- Maintenance backlog associated with a deteriorating estate
- Financial cost of operating the estate
- Community Asset Transfer (CAT) risks
- Customer experience/council reputation.

We have made progress to meet our targets for our estate. However, we have a number of risks to address. If we are to be successful, we must be innovative in how we use our estate. Cardiff has been particularly successful in using CAT as a way of not just transferring buildings to local groups, but by so doing, protecting the services which are being delivered from those buildings. One notable project, working with Charles Coats (ACES member), was in transferring the first branch library ever built in Cardiff, which had been derelict for about 10 years, and is now transferred to a local rugby club, who could access grant from the Welsh Rugby Union, make it good and use it as changing rooms. There are similar success stories across Cardiff.

### ***The need to ensure growth benefits all***

To conclude, I wish to reiterate how we want to be a council which tackles the inequality that exists. We need to ensure that the benefits of growth are felt by all. And while growth of jobs and housing is necessary, it is not sufficient on its own. Every project we take forward must translate into jobs and opportunities for the people that need them most.

# Property Strategy Targets



## Key Challenges

- Making sure the estate is fit for purpose
- Maintenance backlog associated with a deteriorating estate
- Financial cost of operating the estate
- Community Asset Transfer (CAT) risks
- Customer experience / Council reputation

5 years ago, Cardiff Council voted to become a living wage employer. That is the proudest vote I have ever cast as a councillor. It shows the commitment of the council to pay our staff a fair day's pay for a fair day's work. Where the council has led, we expect others to follow: Cardiff University is a living wage employer. Leading by example, we need to get similar efforts from the private sector as well.

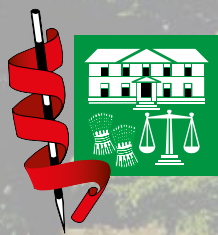
Alongside good jobs, we believe that a good education remains the surest route out of poverty. This in part requires having a good schools' estate. Five years ago, in one of Britain's smartest cities, the school system was failing. Narrowing this gap will be a measure of the success of this administration. To do so we will continue to invest in and improve our schools. In the face of austerity we have invested £169m in our schools. We have delivered some fantastic school buildings across Cardiff and across Wales.

We are looking to enter the next stage, which has some fantastic opportunities to challenge funding restrictions. We are looking to raise over £100m of capital, including investment from the Welsh government, over the next 5 years. The Cardiff council commitment is also one of the major initiatives of my administration, and is a part of the

equality agenda. It does put even more pressure on our estates to deliver.

The thought I want to leave you with is that there are amazing opportunities for strategic estates, to support the wider aspirations of local authorities. In Cardiff, I am absolutely clear that it is about making a city that is fairer, a better place to live, more equal, that we can all enjoy. Thank you for inviting me along today, I'm sure you'll have a great day in Cardiff!





# ACES

Downing College Cambridge North Range and Chapel. Photograph by Tim Rawle and Louis Sinclair ©

## NATIONAL CONFERENCE 2018

### EVENT TITLE

*Income Generation and Revenue  
Reduction in the Public Sector*

### DATE

*Thursday 20<sup>th</sup> September 2018*

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# THE AUTUMN BUDGET AND HOUSING: TENTATIVE MOVES TOWARDS A HOLISTIC SUPPLY POLICY, BUT NOT BOLD ENOUGH

Lewis Johnston

*As Parliamentary Affairs Manager within the External Affairs team, Lewis is responsible for coordinating RICS' interactions with parliament, the political parties and government departments, and leveraging the reputation of RICS, to ensure RICS is an effective influencer of policy. Drawing on the extensive expertise of our membership, we aim to use our relationships with government to shape policy for the better, in line with the public interest mandate of RICS. [ljohnston@rics.org](mailto:ljohnston@rics.org)*

Lewis gives a summary of measures announced in the November Budget intended to kick-start housebuilding at the sort of numbers predicted necessary. Sadly, the measures are subdued. "RICS' position is that housing needs to be seen holistically – we shouldn't be focussed solely on individual objectives like boosting home ownership. We need to deliver more homes, of the right kind, in the right places, and across a variety of tenures. This means getting a wider range of delivery bodies – including local authorities – in the business of building houses. Only then can we begin to approach a housing system that provides for all."

## The backdrop

2017 was supposed to be the year of a fundamental step-change in the government's approach to housing and planning. From the long-anticipated White Paper in February, to the Prime Minister's conference pledge to deliver a "new generation" of council homes, there has certainly been no shortage of ambitious rhetoric. What's more, there have been some genuinely impressive changes in direction. First and foremost, when seen in the context

of a 30-year decline in the rate of local authority housebuilding (reaching a nadir of 370 completions in 2009/10), the acknowledgement that councils need to play a significant role if we are to fulfil our housing needs was a strong move, with the potential to change the narrative on housing. The White Paper, while falling short of the perhaps overly inflated expectations that preceded it, also contained several practical measures around Modern Methods of Construction, planning and skills, and marked a welcome acceptance that an effective housing policy needs to be about more than just home ownership.

It was against this backdrop in the run-up to his November budget that the Chancellor suggested he would be leading a concerted government effort to deliver 300,000 homes a year, a figure well in excess of previous government pledges on supply (it was not that long ago under David Cameron that the government wouldn't commit to a numerical ambition at all). The effect of this was to further raise expectations of something fundamental – and I wasn't alone in hoping the Chancellor would give practical effect to the positive pronouncements we've seen this year. Perhaps in the light of June's unexpected

election results, the political will really exists in government to implement measures that tackle our housing supply crisis at the root?

## The Budget

The reality of November's announcements was more complicated, and more subdued. Certainly, the budget included some genuinely attractive policies. Our long-standing proposal that the Housing Revenue Account borrowing cap should be lifted has been adopted, and when taken alongside the previously announced £2bn to support council housebuilding, this indicates at least some degree of practical action to match the aspiration.

Elsewhere, the £1.5bn package to support SME housebuilders (small and medium-sized enterprises) reflected our desire for a more holistic supply strategy, drawing on a wider range of delivery bodies, and the total £44bn package of housing support can hardly be dismissed as small fry, even if it isn't quite the £50bn the Communities Secretary Sajid Javid was asking for beforehand. Beyond the monetary amounts on Hammond's checklist, the launch of Oliver Letwin's inquiry into unused planning permissions

should at least kick-start a debate on the role of planning in our housing system, and we will be engaging fully to ensure the insight of the profession can be brought to bear on the subject. However, when taken as a whole, the budget announcements don't quite add up to the kind of resolute, large-scale supply strategy we need.

***You only get credit for changing the rhetoric once: Now deliver.***

Council housebuilding

The recognition that councils have a role to play is significant, but as with the Prime Minister's conference pledge, the detail of the policy belies a lack of ambition. The forecast figures in the budget itself indicate that of the £1bn set aside for additional council borrowing to invest in new homes, the first tranche of £355m won't be spent until the financial year 2019/20, with an additional £265m and £260m in 2020/21 and 2021/22 respectively. As far as it goes this is welcome, but does it really see us reaching the ambition of 300,000 new homes a year? The Chancellor was right to say there is no magic bullet when it comes to housing, but nonetheless, we believe bolder measures than this are required.

We would like to see a comprehensive policy of direct commissioning, facilitated by strategic partnerships between local and central government. The Homes and Communities Agency has already taken steps in this regard through the 'Direct

Commissioning' pilot, but now is the time to really allow the policy to grow at scale.

Planning system

Oliver Letwin's review of unused permissions is another area with potential. Clearly, planning is fundamental to the way we deliver homes and no housing policy reforms can be effective without taking the system into account. However, an investigation into the extent of 'land-banking', with the accompanying threat of direct government intervention to ensure land with permission is used for housing, could be something of a red herring when it comes to planning.

The really fundamental issue is how the planning system needs to be reformed to speed up the delivery of housing across the board. While it is important to explore exactly to what extent 'land-banking' may be a problem, we want the government to go much further, and make bold, but sensible and proportionate reforms to planning categories. Specifically, there should be a serious rethink of policy towards the green belt, in a way that preserves and protects the landscape we all cherish. There should be a formalisation of the policy of green belt swaps so that appropriate sites are not arbitrarily ruled out for housebuilding, and we can unlock the land needed to deliver homes where they are needed.

***To achieve success, first we must define it***

Amid all the debate and commentary on

the UK's housing challenges, it is easy to lose sight of a fundamental question: what do we want our housing system to look like? It seems like a simple point, but in fact government policy still has some way to go before coalescing around any kind of consensus of what success means. The government deserves credit for moving away from a focus just on demand-side schemes to boost ownership, but as the hype around Stamp Duty Land Tax for first-time buyers shows recently, this remains an alluring distraction from the wider issues. RICS' position is that housing needs to be seen holistically – we shouldn't be focussed solely on individual objectives like boosting home ownership. We need to deliver more homes, of the right kind, in the right places, and across a variety of tenures. This means getting a wider range of delivery bodies – including local authorities – in the business of building houses. Only then can we begin to approach a housing system that provides for all.

We have had 14 Housing Ministers in the last 19 years. More often than not, they have been genuinely able and committed to their brief, but this 'revolving door' does nothing to foster a long-term, consistent strategy at the Department of Communities and Local Government. Housing is one of the biggest challenges facing the country, and it is important that the machinery of government reflects that. In future, we want the housing portfolio to be elevated to Secretary of State level, as an indication of the seriousness with which government takes the issue, and a guarantee of Cabinet focus.

## The Terrier

The Terrier is published quarterly by ACES. The inclusion of any individual article in the Terrier should not be taken as any indication that ACES approves of or agrees with the contents of the article.

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# HOW COMMUNITY ORGANISATIONS CAN HELP GROW THE COMMUNITY LED HOUSING SECTOR

Zoe Goddard

*Zoe is the Community Led Housing Manager for Locality and supports Locality members who are developing innovative Community Led Housing schemes. zoe.goddard@locality.org.uk*

Zoe gives an update on community led housing initiatives, last featured in 2016/17 Winter Terrier. "There are many other CLH groups across the country growing a connected movement of local people who are taking control and creating the housing that their communities want." ACES members, please note the forthcoming Housing Associations' Charitable Trust technical toolkit, specifically designed for local authorities and housing associations which will be available in spring 2018.

*Locality supports local community organisations to unlock the power in their community, to build a fairer society. Locality's network of 550 community organisations transforms lives by giving local people a purpose, a good place to live and good health. Locality offers specialist advice, peer-learning, resources, and campaigns to create better operating conditions for community organisations. <http://locality.org.uk/>*

## Introduction

2018 will be an exciting year for Community Led Housing (CLH). In November 2017, the Housing and Planning Minister Alok Sharma announced that the Community Housing Fund will be re-launched in January 2018, providing £60m each year until at least 2019/20 to help fund the revenue and capital costs of CLH schemes and fund national infrastructure support programmes.

Locality sees CLH as a key element of local communities taking control through the ownership and management of local buildings to tackle the housing crisis.

The issues around the housing crisis are well known, including a limited supply of the houses that people need, lack of affordable housing for first time buyers

and for rent, poor standards in rental homes and rising homelessness. Lack of affordable housing is threatening the sustainability of rural communities and the essential services they rely on. It is preventing many families living close to their work and is impacting on the diversity of communities.

Locality has an active network of more than 50 Locality members developing or managing successful CLH schemes, many of whom can demonstrate innovation in this field. Community organisations have been getting involved in CLH housing in greater numbers and Locality is supporting them to develop new projects which can meet local housing needs and support the sustainability of their organisations, to continue delivering wider community services.

In this article we give examples of the CLH work our members are involved with and talk about why community organisations are well placed to develop CLH. There are many other CLH groups across the country growing a connected movement of local people who are taking control and creating the housing that their communities want.

## What is community led housing?

CLH schemes come in different forms - new housing, refurbishing empty homes, and transforming derelict buildings and underutilised community spaces. There are also a wide range of approaches that groups take, such as co-housing schemes and self-build, and a variety of types of CLH groups, including Community Land Trusts, Cooperatives and community organisations.

The National Community Land Trust Network, Confederation of Co-operative Housing, UK Cohousing Network, Self Help Housing Network and Locality have been working in partnership to agree a definition of community led housing. The definition is based on core principles rather than hard and fast rules.

1. A requirement that meaningful community engagement and consent occurs throughout the process. The community does not necessarily have to initiate and manage the development process, or build the homes itself, though it may do

2. The local community group or organisation owns, manages or stewards the homes and in a manner of its choosing
3. A requirement that the benefits of the scheme to the local area and/or specified community group are clearly defined and legally protected in perpetuity e.g. through an asset lock.

In the context of this definition and these principles, a 'community' can be both a community of place or a community of interest, as defined by the group or organisation. However, membership of that organisation or group must be open to anyone within that defined community.

Broadly speaking, there are 3 main routes to delivery for community-led housing:

1. Group-led: Grassroots 'start-up' groups respond to housing need or demand, or people seek to deliver their own homes
2. Extension of community-based activity: Existing community-based organisations with local roots decide to provide housing in addition to their current activities, or increase their existing provision, for and on behalf of the local community
3. Developer-community partnership: A local authority/landowner/housing association or small builder wants to provide housing that benefits the local area in perpetuity. They access community led housing expertise to recruit 'founder members' from within the community and support them to take over ownership/stewardship and/or management of the homes, or they support an existing group or organisation to deliver its ambition.

It is important to note that across all 3 routes the definition of community led housing outlined above still applies.



Saffron Lane Neighbourhood Council's development in Leicester



North Huyton, Knowlesley

### ***Why existing community based organisations are well placed to develop community led housing***

Established community organisations with local roots are well-placed to develop CLH. Community organisations are place-based, multi-purpose organisations which are community led and deeply rooted in their neighbourhoods. They respond flexibly to local need and therefore come in all different shapes and sizes, but they often provide holistic solutions to local problems and challenges. What unites them is a sense of ambition for their places, an enterprising approach to finding local solutions, and a clear sense that this should be community led and based on self-determination. They are there for the long run, not the quick fix, and are often the driving force in community renewal.

Community organisations can bring years of community capacity-building experience, to engage the community to design and develop housing schemes that meet local housing needs. Many community organisations work in more deprived areas of housing market failure, where private developers are not interested in building.

Where community organisations extend their reach to include housing, this may be undertaken alone or in partnership with another local stakeholder such as a housing association. Some chose to work in partnership with housing associations who can draw down Homes England (formerly Homes and Communities Agency) funding and manage the properties, but many community organisations are doing this themselves. Community organisations often have the capability to take a lead role in CLH. They have established governance structures, community accountability



13-acre plot which sat empty, derelict and filled with weeds, next door to its own community gardens. The Neighbourhood Council negotiated an asset transfer and then worked in partnership with a local housing association to build 68 homes to Passivhaus standards.

More information can be found at <http://locality.org.uk/projects/community-led-housing/case-studies/saffron-lane-eco-homes/>

Many community organisations are developing housing in infill sites in the neighbourhoods where they are based. Ambition Lawrence Weston in Bristol and New Wortley Community Association in Leeds are examples of groups who have secured pre-development funding from Power to Change, to develop new housing on sites close to their existing community facilities.



Apprentices working for NHCF

Community organisations are also working with local councils and housing associations to refurbish and rent out long-term empty homes. In North Ormesby in Middlesbrough, Accent Housing Association has sold at less than market value some of its empty properties to North Ormesby Development Trust. Accent realised that a local community organisation could manage the properties effectively and improve the area, which would help Accent with managing its other properties locally. The refurbishment of the properties is also providing an opportunity to create training and employment opportunities, with another CLH organisation, Community Campus.

North Huyton Communities Future (NHCF) and Knowsley Housing Trust (KHT) is another example of a partnership approach to housing. NHCF is the successor body to North Huyton's New Deal for Communities programme which ran from 2001-2011. NHCF demonstrated, through funding from the governments empty homes programme, that it could renovate, let and manage difficult properties, using a community-based letting scheme informed through local contacts. NHCF has now negotiated with KHT to take over management and lettings of 10 of the housing association's long-term empty properties as a pilot scheme. NHCF is now looking to set

and have harnessed local social capital. They often own buildings and may have a track record in managing and developing capital schemes, all of which can enable them to attract finance. This ensures that the homes developed are owned by the local community and any profits can be recycled to fund further housing schemes or fund other community services delivered by the community organisation.

Community organisations often provide a range of wrap-around support services. They are therefore keen to house and support more vulnerable members of the community that utilise their services – young people, older people, people with complex needs.

Existing community organisations understand the importance of supporting the local economy, by skilling-up and employing local people and using

local supply chains. They often develop innovative ways of involving the hardest to reach community members through local skills and employability initiatives. Giroscope in Hull is currently developing a self-build project with long-term unemployed volunteers, to build 5 homes for affordable rent.

Many community organisations have land in their ownership suitable for building new homes. Centre at 3 Ways in Halifax and SAFE Regeneration in Liverpool are 2 examples of community organisations who through a Community Asset Transfer from their local authorities, now own former school sites. Both are developing plans to build affordable rented accommodation adjacent to their community facilities, to house users of their services and offer on-site support.

Saffron Lane Neighbourhood Council in Leicester approached its council about a

up a Learning Company in partnership with Knowsley Community College, to employ 4 apprentices and a supervisor to undertake the refurbishment works and extend its residential portfolio.

More information can be found at [www.nhcfonline.org.uk](http://www.nhcfonline.org.uk)

### **Opportunities and support available**

The Community Housing Fund will be re-launched in early 2018 and will include a new grant programme for CLH groups administered by Homes England. Details of this fund will be released in a prospectus by Department of Communities and Local Government in January. Power to Change will be expanding the support it is providing to develop community led affordable housing. This funding presents a great opportunity for the sector to grow, and for groups to resource their ambitions for CLH.

To support the rise in interest in CLH, Housing Associations' Charitable Trust is creating a technical toolkit specifically designed for local authorities and housing associations and this will be available in spring 2018.

Locality currently supports CLH groups through its CLH members' network and there is a wealth of free resources available on [mycommunity.org.uk](http://mycommunity.org.uk). Locality also runs an Early Stage Support Programme which is funded by local authorities and the Nationwide Foundation, to offer bespoke 1:1 support to groups at an early stage of developing CLH schemes.

If you know of any community organisations that have aspirations to develop CLH, then please encourage them to contact Locality for support.

The National Community Land Trust Network, the UK Co-Housing Network, and the Confederation of Co-Operative Housing also provide a range of support

services and Locality is working in partnership with these organisations to look at how all of our support can be coordinated, moving forward.

If you would like further information about anything in this article, please contact Zoe.

<https://mycommunity.org.uk/take-action/community-led-housing/>



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# COULD LOCAL AUTHORITIES AND GUARDIAN SCHEMES BE WORKING TOGETHER TO HELP LONDON'S KEY WORKERS?

Tim Lowe

Tim outlines the housing crisis in London for key workers, and puts forward arguments for local authorities to become involved in Guardian schemes, and re-use vacant properties, by converting them into viable accommodation for key workers. "We would love the opportunity to speak to any local authorities out there about our LOWEKEY adventure... By working together, we feel that we can make a real difference."

*'Tim is a 29-year old entrepreneur that is passionate about utilising vacant space to provide quality and affordable housing for today's 'generation rent'. Over more than 2 years, Tim has worked with developers, investors, funds and public services on numerous vacant sites to provide property owners with an efficient and secure service for their vacant properties. At the same time, this service provides London's key workers and creatives with affordable accommodation.'*

*Prior to setting up on his own, Tim worked at Knight Frank's Private Rented Sector team where he conducted a comprehensive assessment with the Estates Gazette to discover if any truly affordable solutions existed for London's young workers today. Labelling the project 'Lowe Cost Living', it involved searching for (and ultimately living in) properties under £500 a month in central London. [tim@loweguardians.com](mailto:tim@loweguardians.com) and [www.loweguardians.com](http://www.loweguardians.com)*

## The crisis

The housing crisis in London has been a hot topic of conversation for quite some time now. However, one particular subject that hasn't had the same focus or attention is how spiralling rents and prices of properties are adversely affecting London's key workers. In 2017, it is becoming normal for London's key workers to commute from outside of London.

This may not be an issue for the average employee that works a 9am to 17:00 shift, but key workers often work 10 to 12-hour shifts, alternating between day and night.

Given the vital contribution that nurses, police officers and teachers make to our society, we believe that living in the same city they work should at least be a viable option. We have set up a team in the business called LOWEKEY to help address the problem.

This paper sets out to highlight the challenges that key workers face, as



well as demonstrate how their job could be transformed by living closer to their place of work. It also explores a potential solution to the problem – collaboration between guardian schemes and the public sector to make the most of vacant property.

## The challenges

Some of the challenges facing key workers today are:

### Rising stress levels

The research set out below demonstrates not only the stress that key workers are experiencing, but also how proximity to



London is a major contributing factor to that stress:

- Between 2010 and 2015, 35% of police officers were on sick leave for stress-related illnesses. Moreover, in 2014 there were 23,000 working days lost due to illness caused by stress
- 54% of the 'blue light' emergency services workers serving the city are no longer living within London, resulting in an increase in stress/sickness levels and a decline in job satisfaction (MPS, 2015) [Ed – see references at end].

Anthony Scantlebury from the GMB London Ambulance Service comments on a typical emergency worker's daily routine: "If you finish at 7pm in the evening, before you get home and get

yourself sorted out, it is probably 10 o'clock at night. And then you need to leave home at 4.30 am again to start work at 07.00."

He continued "that cuts down on your sleep time and you get progressively more tired as the week goes on."

Additionally, Ken Marsh, the chairman of Metropolitan Police Federation has noted that while the very nature of policing has always been challenging, stress levels are the highest they have ever been, with the average shift being 10.5 hours. If one takes into consideration the commute of the officer from outside of London, this can lead to a 14-hour day.

#### Punctuality

It is vital that key workers (particularly those that work within the emergency

services) are able to travel to work quickly and easily. Turning up to work late is simply not an option, and the essence of the emergency services is built upon reliability, punctuality and efficiency. Proximity to work is of critical importance in maintaining these 3 key elements.

Looking specifically at the theme of punctuality, UK transport links are not helping our key workers. For instance, in the last quarter of 2015, 34% of Thameslink/Southern rail and 25% of Southeastern rail peak-hour services failed to arrive at their destination within 5 minutes of the scheduled time (Office and Rail Road, 2016). Ken Marsh commented on the challenges that our key workers face when there are significant transport delays: "Many of our officers are living significant distances away; if the transport system breaks down or there are issues outside of London – what do you do then?"

#### Lack of Affordability

The lack of affordability is another major problem for key workers in London, which was demonstrated by 'Halifax Key Worker Housing Review' (2011). This review found that in 2001, 64% of towns were affordable in comparison to 2011, where only 38% of towns are affordable. Within the report, nurses were cited as being the worst off, with only 22% of towns being affordable. Unsurprisingly they found that "the least affordable areas for key workers are all in London: Kensington and Chelsea, Westminster and Camden being the lowest".

The London Chamber of Commerce (2016) also found that the basic annual pay for police constables, firefighters and ambulance paramedics is not sufficient to rent or buy an average 1 or 2-bedroom home in London. While these key workers' basic annual pay is from £21,692 to £37,626, the take-home pay required to rent a 1-bedroom home in London is £41,143 p.a. In addition, the annual income required for a first-time buyer in London is said to be £80,722, which is over double the amount of income of a police constable.

#### Conclusion

What's clear is that key workers are





## Could public sector land alleviate the situation?

In 2017, London has a severe shortage of affordable housing. The problem has become so big that our city is currently unable to provide affordable housing to its most valuable workers in our society. The origins of the problem are deep-rooted and complex, but guardian schemes can alleviate the problem (if done in the right way).

London's population is also expected to grow to 9.8 million by 2025, according to the Office for National Statistics. With more and more people looking for housing, as well as spiralling rent (primarily caused by a lack of affordable housing) the outlook is tough, particularly for London's key workers. At Lowe Guardians, we believe that it's fundamentally wrong that hard-working people that are major contributors to our society – including the police, health, education or non-profit sectors – are being priced out of the areas they work in, despite giving so much back to the local community. These key workers are the lifeblood of our communities and deserve better. But what's the answer?

Unfortunately, London is already one of the most densely populated cities in the world. There is a limit in terms of the space we have, we can't simply build more and more. We need to become smarter and innovate with the space that is available to us.

According to e-PIMS, in 2012, there was around 4,736,120 sq.ft. (552 buildings) of public sector land and buildings in London, which were marked as vacant. Lowe Guardians came up with the idea of working with local authorities through a new segment of our business – LOWEKEY. We think that local authorities are fantastically positioned to support London's key workers, by maximising the value of their vacant properties. Our wish is to work closely with local authorities to transform their vacant spaces into quality and affordable accommodation for our young people.



struggling to either rent or buy in London. In fact, they are being forced to commute from afar, resulting in strains on both the key workers and the public sector services. As always, there are great

difficulties in solving major social issues such as the housing crisis. However, there are always solutions, and we believe that one of those solutions is guardian schemes.

We want the solution to be mutually beneficial for all parties. For instance, a well-run guardian scheme provides these people that are vital to our society with

an affordable rental solution in close proximity to their work. At the same time, the local authority is given a cost-effective solution to managing its vacant buildings.

We're not suggesting for a second that guardian schemes are the answer to the housing crisis. But right now, we need a short-term solution as our key workers are suffering. In a world of spiralling rent and stagnant incomes, our solution could provide a stable and sustainable option in the short-term. We want more collaboration between ourselves and the public sector to help solve this crisis for our key workers. As well as the public sector generating savings from using guardian schemes, they can also provide homes for their workers.

Guardian schemes have other advantages that local authorities should consider. Aside from the obvious tax benefits, guardian schemes align with the values of local communities. Young people today don't want to be tied down by long contracts, mortgages, or be burdened with excessive deposits. In

today's fast-moving world, even a year is a long time, and many do not want to be confined to a property for this length of time. At Lowe Guardians, there is only a 4-week notice period, so people can move on quickly if their situation changes.


Another advantage is the sense of community that they instil. At Lowe Guardians, we interview and select guardians that are passionate about the space in which they live. We also help build a sense of community by holding film nights, organising barbecues, or just ensuring that our communal spaces are fitted out to facilitate social interaction.

We would love the opportunity to speak to any local authorities out there about our LOWEKEY adventure, that are interested in converting vacant space into viable accommodation for our key workers. By working together, we feel that we can make a real difference.

Or if you want any further information, or are interested in LOWEKEY, please do get in touch.

## References

1. e-PIMS (2012)
2. Halifax (2011): Halifax Key Worker Housing Review, at <https://static.halifax.co.uk/assets/pdf/mortgages/pdf/Key-worker-housing-affordability-26th-April-2011-Housing-Release.pdf> Page 1
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5. Office and Rail Road (2016): Public performance measure (PPM) by train operating company - Table 3.44.



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## SHARED PROPERTY SERVICES

Brian Thompson

Brian summarises and draws on a recently published RICS Insight Paper which owes its origins to debate within the RICS Public Sector Group, and which was promoted jointly by RICS and ACES. [http://www.rics.org/Global/Downloads/Shared\\_property\\_services\\_insights\\_paper\\_RICS\\_221117\\_mt.pdf](http://www.rics.org/Global/Downloads/Shared_property_services_insights_paper_RICS_221117_mt.pdf)

*After several years within local and central government, Brian took the leap into consultancy with Price Waterhouse in its fledgling real estate consulting business. He subsequently created and led teams of public sector focused consultants at Chesterton and Drivers Jonas. After a spell at Deloitte (following the acquisition of DJ) he set up his own business, where he continues to provide strategic consulting advice to local and central government bodies in the main. He has been a member of the RICS Public Sector Group for almost 10 years. [brian@realestateworks.co.uk](mailto:brian@realestateworks.co.uk)*

### **It's the way you tell 'em**

So, what are 'shared property services'? Surely it's obvious! Well, apparently not according to the findings from the survey. And a quick glance at DCLG's Shared Services Map (<https://www.local.gov.uk/our-support/efficiency-and-income-generation/shared-services/shared-services-map>), a database of shared service activities across local government, confirms that the term 'shared property services' has been interpreted as either:

- Public services delivered from shared property, or
- Property services delivered to 2 or more public bodies.

Rather than studying the phenomenon of co-location of public sector services, the Insight Paper targeted the more recent phenomenon whereby a local authority (typically but not exclusively) provides property-related services to public sector partners, who may or may not be responsible for overlapping or adjoining territories.

### **The pulse of industry**

Rather than aiming to give answers to perfectly valid questions, such as 'what

are the pros and cons of providing shared property services?' or 'what are the pitfalls to avoid if sharing services with other partners?', the on-line questionnaire addressed some fundamentals instead, including:

- The level of awareness of shared property services
- The extent of engagement in shared property services
- The appropriateness of sharing property services
- Potential political blockages.

In effect, we sought to take the pulse of those working in, or advising, the public sector. While it is a stretch to argue that 43 responses are truly representative of the RICS community (is that ever possible with a questionnaire survey?), the responses to the 16 questions were sufficiently varied in many areas, while revealing some common themes.

We deliberately avoided giving a view on whether shared property services are a good or bad thing. Instead, we let the questionnaire responses speak for themselves, illuminated with a series of case studies.

### **Free trade?**

Before turning to the questionnaire findings, the Insight Paper touches on the legislative and policy framework which has increasingly enabled or encouraged public sector partners to trade or otherwise share resources.

The Localism Act 2011 has created a more solid platform for innovation, following an era of uncertainty. There was no unanimous view on how to interpret the well-being powers granted to local authorities through the Local Government Act 2000 and equivalent legislation in Scotland.

Recently, central government has offered 'incentives' to promote the sharing of services. For example, some Devolution Deals were contingent upon local authorities signing up to sharing and re-designing services. Now on its sixth wave at the date of writing this article, One Public Estate overtly promotes the innovative sharing of assets and property resources in return for 'seed corn' or enabling funding. It is predicted that more local authorities and their partners will find ways to trade resources as the programme matures and the quick wins around sharing space are ticked off.

## Some Q&As

There is neither the space, nor is there the need, to reproduce all questions and answers here – you can easily access the full report, if motivated.

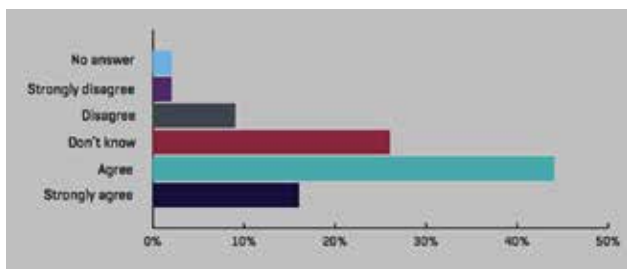
Two preliminary questions were posed to help understand the experience of respondents with shared property services. We felt that a degree of 'weight' can be attached to subsequent responses because:

- 91% of respondents claimed to be aware of shared property service ventures
- 60% of respondents claimed to have participated, or were currently participating, in shared property service ventures.

For clarity, an introductory paragraph to the questionnaire set out our interpretation of shared property services – from the informal provision of a resource on an ad hoc basis to a single public sector partner, through to the creation of a separate legal entity designed to provide services at an arms' length to a range of partners.

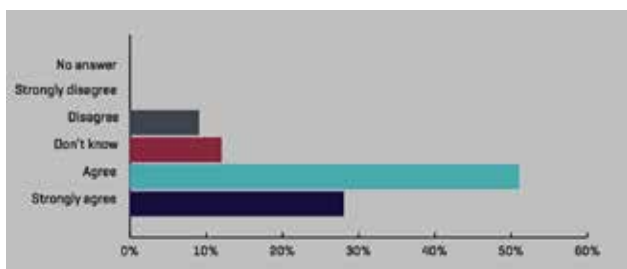
The findings from a range of other questions are reproduced below:

### Better value for money will be obtained through shared services compared with employing commercial advisers



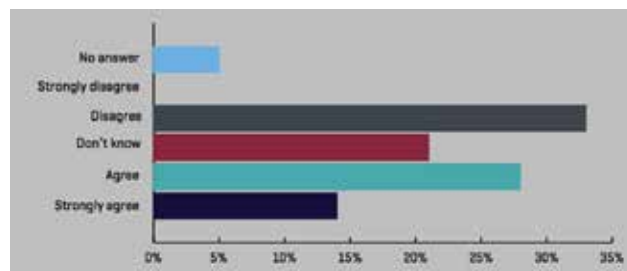
Interestingly, a very significant proportion of respondents disagreed with the statement, or weren't persuaded either way, despite the large number of respondents with experience of shared service ventures.

### Through 'pooling', specialist resources can be shared and therefore sustained across public sector partners'



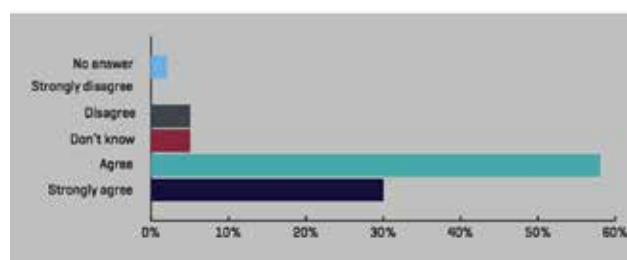
Perhaps not surprisingly, the potential to share specialist resources across partners was broadly agreed as a mechanism for retaining expertise within the public sector. How this is achieved in practice is another matter – but the concept has validity.

### It is costly and time consuming to set up a shared services venture



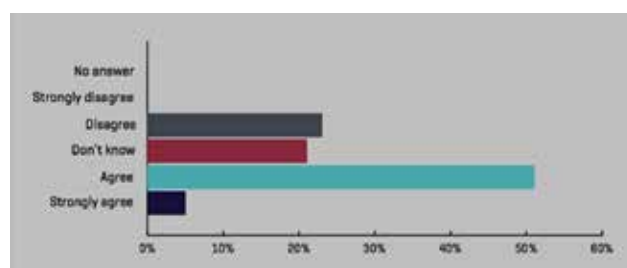
Even though shared property services had been defined as a broad range of mechanisms, from the ad hoc and informal arrangement through to the creation of a new legal entity, 42% of respondents agreed with the statement. After correlating responses to different questions, it was apparent that 44% of those agreeing with the statement had NOT taken part in a shared property services venture. Is there a lack of awareness in the market, or institutional bias?

### The sharing of property expertise is likely to become more common over time'



There was widespread agreement that the practice of sharing resources will become more common. But 5% of respondents disagreed with the proposition, even though these respondents had all previously said that sharing provides better value for money!

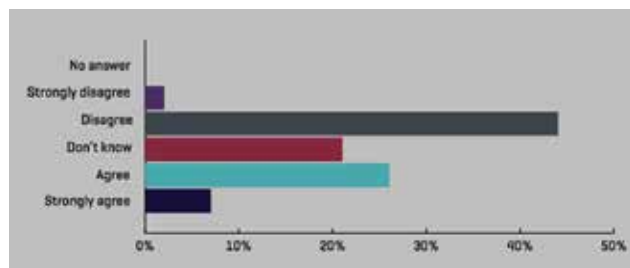
### Some public bodies will resist buying from or selling to others for local political reasons



To lift a quote directly from the Insight Paper: 'Most of the respondents agreed that local politics can, in effect, trump rational decision-making.'

While tightly drawn specifications and service level agreements can arguably deal with concerns about service quality and the availability of resources, a political barrier against entering into a commercial agreement with a local 'partner' can be fatal.

### Sharing resources will only work for specific property services



This statement drew a mixed bag of responses. Some argued that local knowledge is essential and is unlikely to be possessed by a public sector partner. Others were more open-minded and believed that a wide range of property services could be adequately delivered (by the right partner, with the right resources, under an appropriate delivery arrangement).

A further statement explicitly addressed the possession of local knowledge by potential delivery partners. 40% of respondents either did not feel local knowledge was important or they were comfortable a partner could provide that knowledge – in other words, it wasn't a perceived barrier.

This is all very interesting but what about the availability of resources, even if there exists a political will to share?

While the majority of respondents agreed that they did not have any surplus resources to deploy across partners, 20% appeared to have surplus resources capable of deployment elsewhere. And the majority of respondents falling into this category were from local government, all but one of whom agreed with another statement that they would be willing to trade their resources with partners.

### **The case studies**

On the back of face to face meetings or telephone interviews, case studies were prepared covering a range of public sector bodies and organisational arrangements for delivering shared property services:

- Richmond and Wandsworth Councils Shared Staffing Arrangement
- Place Partnership [Ed - see Asset Leeds, p84]
- Five Councils Partnership
- Essentia Trading Limited

The rationale behind the creation of each shared property services arrangement was very different in each case. Wandsworth and Richmond Councils were facing central government cuts of between 22% and 66% and decided to join forces through a Shared Staffing Arrangement, while Guys and St Thomas' Trust deliberately set out to commercialise and expand its in-house property-related team by bringing in expertise from elsewhere, creating a new brand, and proactively marketing its services to external clients in the UK and overseas.

Meanwhile, Place Partnership was a creature of One Public Estate designed by a collective of public sector partners, and the Five Councils Partnership emerged as several councils came together on the expiry of their outsourced contracts, to re-procure services and capitalise on their combined buying power.

### **So what?**

We felt that the evidence from the responses and case studies was sufficiently consistent to allow us to draw some 'tentative conclusions' - guided by the direction of travel of the legislative and policy framework. To paraphrase, the conclusions in the Insight Paper:

- The carrot and stick approach adopted by central government will force local authorities and the wider local public sector to identify new delivery models for core and support services
- Shared service models are relatively widespread although less common for property-related services than other support services, such as legal services and IT
- Demonstrating a 'public sector ethos' can be important in securing work from public sector partners. Equally, a commercial ethos framed around customer care, service level agreements and market development is important
- The sharing of resources across partners may be the optimum (or perhaps only) way to retain property skills in-house
- There is a distinct appetite to learn more about shared property services and routes to market, even among those who claim to have experience in the market
- The retention or protection of sovereignty can act as a real constraint, however convincing the business case might be for collaboration and the sharing of property resources
- Exit strategies need to be considered to cater for the scenario of your partner or partners withdrawing from the agreement to procure services – or exiting entirely from, say, a tri-borough arrangement!

### **Looking forward**

The sharing of property resources is likely to be one component in the mix of responses to financial constraint. Clearly there are barriers and there are risks, but doing nothing also comes with the risk of a continued depletion in the depth and breadth of skills available within the local public sector.

It will be interesting to review the post project evaluation reports for some of the more recent case study initiatives – if they exist. Such transparency can only help fuel the debate about the future of shared property services.

[Ed – see also the articles on strategic asset management and local authority companies in this edition of the Terrier].



Helen discusses legal issues related to local authority companies and case studies the building control service, which has parallels for property and other services.

## ADAPT TO SURVIVE

Helen Randall

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Local authorities faced with increasingly severe cuts to government funding have to be more enterprising to generate revenue to survive and provide essential services.

### Commercialising

Councils are increasingly commercialising a number of different services, charging where they have discretion, over whether to supply that service and investing in land and other assets to generate revenue.

### Alternative solutions

Alternatives open to a local authority that wishes to make savings and generate income include:

- outsourcing such functions as can be delegated to an external party
- establishing a joint venture with a partner
- establishing a company, wholly owned by the local authority
- merging its service with another like-minded local authority and establishing shared provision.

An authority wishing to outsource a service or set up a company will first have to identify the statutory functions which authorise the decision and which

functions can lawfully be externalised. Authorities would be well-advised to undertake one as soon as possible to minimise risk of legal challenge by an aggrieved party.

Private sector companies interested in the potential business opportunities offered when authorities outsource their property services functions will need to bear in mind that such contracts will be publicly advertised and competitively tendered, to comply with EU public procurement rules in the Public Contracts Regulations 2015, if the transaction is structured as a public services contract, or in the Public Concessions Contracts Regulations 2016, if the deal involves the risk of raising revenue being borne mainly by the concessionaire.

### Joint venture approach

A more modern approach to outsourcing is for a local authority to establish a joint venture. This will include the procurement of a partner to participate in the shareholding of the joint venture company, with delivery and performance criteria under a shareholders' agreement.

### Beyond outsourcing

However, some local authorities either have limited political appetite for externalising services to the private sector, or the value of the service or the assets is insufficient to attract a private-

sector partner to invest in bidding, and perhaps to take on staff under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE), with pensions liabilities.

In such cases, there are 5 principal options:

1. Two or more authorities' departments can be merged into a single, multi-authority shared service to achieve economies of scale by merging with another council's service, increase service resilience and enhance staff retention. There may also be opportunities for the authority's staff to carry out consultancy to generate income for ploughing back into council services as has been undertaken, for example, by Gravesham Borough Council, Medway Council and Swale Borough Council under the South Thames Gateway shared service arrangement for building control services
2. Establishing a local authority trading company allows the authority to generate a profit from selling services or developing or investing in assets such as land and has the advantage that the local authority, as a shareholder, generally enjoys limited liability. Some examples include LB Newham's Red Door and LB Barking and Dagenham's B-First



3. If the employees are sufficiently motivated and entrepreneurial, the company can allot some or all of the shares to employees as a mutual. For example, 3BM is a majority employee-owned company which supplies property consultancy and other services to schools in West London, which was a spin-out from LBs Hammersmith and Fulham, Westminster and RB Kensington and Chelsea
4. A multi-authority trading company. It can sometimes be beneficial to set up a holding company with different subsidiaries, such as one dedicated to achieving best value for the authorities in carrying out statutory functions in their own areas, and a separate consultancy trading company working to provide services to other customers, such as local authorities outside the area of the parent authority, other public sector bodies, commercial operators and householders. This is similar to the model adopted by Norfolk Property Services. Recently, Mid Suffolk and Babergh District Councils have formed a joint property investment company and 7 district councils in Hertfordshire formed a corporate group to provide building control services
5. A joint venture company – some examples are: Re, LB Barnet's joint venture for development and regulatory services with Capita; Breckland Council's Breckland Bridge Company with the Land Group which is developing council-owned sites; and Central Northallerton Development Company Limited which is a joint venture between Hambleton Council and Wyke-land Properties, to regenerate the former Northallerton prison into a new mixed use development to complement the town centre.

damage, at which point public interest in building inspection is piqued again. Those who saw the exhibition by the Chinese artist Ai Weiwei at London's Royal Academy of Arts last year – which included a display of the original defective building reinforcements which had resulted in the deaths of thousands of Chinese schoolchildren during an earthquake because of allegedly corrupt municipal practices – will not fail to have been moved.

Building control therefore remains an essential, if often under-appreciated municipal service, but it faces mounting financial pressures. However, the legal position for commercialising building control is different, because such services involve the exercise of discretion in a way that potentially affects citizens' lives or livelihoods. Moreover because of the potentially severe implications of building control being carried out by unqualified individuals, local authorities wishing to trade in building control outside their areas need to qualify as Approved Inspectors and to comply with the same stringent controls imposed on private sector surveyors by the CICAIR.

Local authorities are under a duty to provide an at-cost building control service to the public under the Building Act 1984. This includes a duty to enforce the act in their jurisdiction and retain the ultimate responsibility for decision-making with regard to enforcement action.

There are other statutory controls on local authority building control departments that do not apply to private practice building surveyors, such as Approved Inspectors. For example, when exercising their chargeable functions under the 1984 act and the Building Regulations, local authorities must charge fees regulated by the Building (Local Authority Charges) Regulations 2010 in compliance with the "overriding objective" that means they must neither profit from nor subsidise those functions.

Authorities that have not carried out a vires audit of externalised functions would be well advised to undertake one as soon as possible. Even though a court will not usually allow a judicial review application unless it is made

within three months the decision and in any event "promptly", vulnerability to challenge can arise again with every fresh decision outside the legal powers of the body that makes it. A court finding of "ultra vires" can result in void contracts and damages awards.

The London Borough of Barnet implemented a Commissioning Council approach, which externalised many of its functions to a variety of providers under its "One Barnet" initiative. This included the procurement of a contractor to participate in the shareholding of a joint venture development and regulatory services company, RE Limited, responsible for providing building control alongside regulatory services, such as development control, environmental health, strategic highway management, trading standards, land charges, regeneration and other functions. The transaction consisted of a service delivery contract with key performance indicators and a profit share under a shareholders' agreement.

This joint venture was one component of the "One Barnet" initiative, and sat alongside outsourced customer services and council trading companies.

The local authority may achieve economies of scale by merging with another council's building control service and increase service resilience and enhance staff retention. There may also be opportunities for the authority's surveyors to carry out consultancy in addition to "chargeable functions", to generate income for ploughing back into council services.

Local authorities wishing to trade outside their areas must apply to be Approved Inspectors. The CICAIR application process involves verification of comprehensive experience, qualifications, professional insurance, interview, subsequent audits and compliance with the CIC Code of Conduct, and has to be renewed every 5 years.

## **Procurement**

Each option has different public procurement implications. For example, wholly owned local authority trading

## **Case study - commercialising building control**

Building control is typically regarded by the public and many politicians as less interesting than other council services – that is, until a structure causes injury or

companies that provide services to shareholding parent authorities can be exempt from public procurement under the in-house company exemption known as 'Teckal', named after a well-known case which decided that a municipal in-house company need not tender for a contract to supply services to its public authority owner.

Authorities that merge functions in a shared service, usually involving an inter-authority agreement and delegations of statutory functions, can operate under another procurement exemption available for contracts that establish or implement cooperation between authorities.

In either case, the amount of outside trading that the exempt arrangement enjoys is limited to less than 20% of its overall turnover, nor can it involve participation by the private sector under Regulation 12 of the Public Contracts Regulations 2016.

Joint ventures involving the private sector generally have to be tendered if the authority will be buying a service or works from the joint venture company. However, pure land transactions or share acquisitions and disposals can be exempt from the procurement rules, as

can options which do not impose legally binding works or services obligations.

There are a number of further legal and commercial issues to address when establishing these arrangements. Typically, these include:

- consultation
- business planning
- access to finance
- avoidance of unlawful State Aid
- employment, whether TUPE, secondment or more innovative models such as joint and dual employment
- public-sector pensions
- novating contracts and IT licences
- branding and intellectual property rights
- formulating an appropriate, affordable and safe exit strategy if the parties change their minds or the unexpected happens.

There are now developed precedents

for addressing all these issues, but they require careful drafting to fit the circumstances.

Local authorities should also take care they do not trip over State Aid rules by inadvertently subsidising their company, whether through undervalue land transfers, soft loans, guarantees or lending resources below market rates. State Aid challenges by aggrieved competitors are more common nowadays, being cheap and easy to bring about, and can result in fines, poor reputation and the aid having to be repaid.

## Conclusions

Continuing public sector austerity and the latest local government finance settlement means that we will see a mixed economy of diverse entities providing local authority services and being used to generate revenue. This can bring opportunities, but should be approached and planned carefully to avoid potential bear traps for the unwary.

[Ed – see also the articles on shared property services and strategic asset management in this edition of the Terrier].

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# STRATEGIC MANAGEMENT OF ASSETS AS A CORPORATE RESOURCE

Tony Bamford

Tony has prefaced this article, saying that: "It is a slightly academic piece and very much strategic but I hope it will be of interest to a reasonable number of readers and if it provokes a few thoughts, it will have done its job."

*Anthony Bamford MBA MRICS MBIFM is Chairman of ACES Wales and presently working at Bristol City Council as Interim Head of Asset Management. Following his MBA, his work on transformation and change was used as an exemplar and he was recently invited to guest lecture on strategic management.*

## Introduction

The purpose of this article is to look at asset management in the public sector from a strategic perspective. Asset management has continued to evolve in the public sector and the use of strategic and operational business developments have continued to drive this. The central findings of my dissertation studies, outlined in 2017 Spring Terrier, pointed towards councils and other public-sector bodies developing individually and in concert to face the new financial situation known as austerity.

The effects of austerity are mixed, with general spending by the Treasury still rising in real terms and core parts of the public-sector ring-fenced. This leads to particular bodies and within them, certain services seeming to be much more heavily hit than others. Local authorities seem to have been particularly hard hit as a whole. The use of a commissioning model has become widespread, with various parts of an authority being outsourced to some degree.

## Property management

Traditional property management is one of the areas where this is particularly visible. The role of property falls into one of those back-office functions that senior managers are content to see as a satellite operation in some form. The central question here is whether a strategic error is being made through this approach. Property management developed organically from the late 1980s onwards into a more strategic operation as best practice; process analysis started seriously to develop. The wider opportunities this approach continues to offer will be looked at further.

An important development for this service area maturing was the reorganisation and rejuvenation of management, from a day to day management function, towards a more strategic approach to the use of property as a resource. Information technology facilitated this with terrier and estate management records becoming computerised. This area of data recording and use has continued to develop and plays an important role today.

## Development of asset management

The Department for Education and Schools required its first national asset management return in England at the beginning of this century. The use of a national formulation to establish condition, suitability and sufficiency was an enormous step forward in the strategic collection and analysis of data. However, to a degree this was a mandatory exercise, which while showing direction, did not necessarily encourage public sector bodies to look at this in the round.

In the intervening years, objective methods of assessing assets, understanding service delivery needs, and the assessment and allocation of resources were developed. Inter-authority working and working with the voluntary sector occurred on occasions, as public sector bodies sought and found opportunities for efficiency and new ways of delivering services. These tended to be isolated, but gave opportunities for learning and developing collaboration and identification of further opportunities.

Wholesale change continued to be led by the 2 major service areas of public health with Local Investment Finance Trusts, and schools with Building Schools for the Future in England and 21st Century Schools in Wales. In the latter case, computer systems and frameworks continued to take centre stage, with the leading local authorities using both asset management software and Building Information Modelling at the most advanced and highest levels possible.

As the ongoing financial pressures, particularly in revenue terms, to align with austerity needs continue year on year, the role of strategic asset management remains 3-fold. Issue 1 is to support the holistic needs of public bodies to deliver services to the public; issue 2 is to ensure financial efficiency of assets; issue 3 continues, even after all these years, to achieve effectiveness through the alignment of the asset base to today's needs.

### ***Beyond asset management***

The truly effective use and alignment of assets can be achieved through Corporate Real Estate Asset Management (CREAM). This is the latest and most developed mechanism yet for aligning corporate and asset management objectives alongside one another. In the commercial sector, there are mechanisms and academic frameworks to measure return on investment of assets as part of the overall corporate return on investment. This is naturally a little more difficult in the public sector. It therefore makes even more sense to ensure the input and resource devoted to assets are aligned with corporate aims at both the output and outcome level.

In his original article, Haynes (2012) sets out a framework for aligning the corporate objectives with the objectives of the asset area. Naturally this is really important, given the speed and ability of an organisation to change and realign its physical assets. In text book form ("Corporate Real Estate Asset Management- Strategy and Implementation", Haynes, Nunnington and Eccles; 2017, 2ndEd. Routledge) this is examined further across all asset sectors, including an interesting chapter on contrasting local authorities

establishing a corporate landlord model for their asset use.

### ***Strategic organisational change***

While all parts of the public sector areas are under pressure, local authorities have perhaps been most affected by the gearing effect. My research last year established, for instance, that in parts of the country their percentage of GDP use would have to drop from 36% to 24%. To drop this effective percentage, even over a number of years, basically to survive on two thirds of what you have previously received, emphasises how stark the situation is in certain areas.

In this environment, leading an organisation on a business basis and for local authorities - a political basis - is hugely challenging. However, effective leadership is about being open and honest about the situation and this depends on how solutions are being developed. An effective vision for the future is essential and a large variety of groups are carrying out extremely useful and practical visioning work.

One example supported by the Social Market Foundation is Local Services 2040 (Corfe and Keohane 2017) which uses a scenario planning-based approach to consider a number of central methods which councils in particular might use as their guiding principles. These principles will have effects on services, their prioritisation and delivery, and how assets and other strategic resources are used to support these.

### ***Development of the business and its changes***

These long-term assessments emphasise the importance of strategic planning and developing this for the next 20 to 25-year period. Establishing internal alignment is essential and all public sector bodies are developing their macro and mega conversations about the future. The importance of alliancing and collaboration to achieve efficiencies, joined-up services and the local regional agendas make this essential.

### ***Elements of transformation and change fitting the environment***

The "Metro Mayors" in Birmingham, Manchester, Bristol Region and East Anglia are an important response to this prospect. Each region has an opportunity to develop significantly if this initiative is effectively developed and grown. In Wales, the Welsh government is pursuing a similar agenda, with its future of local government white paper published in Spring 2017. A quick search of the internet establishes the development of visions for 2040 in Wellington New Zealand, Amsterdam and Norwich.

### ***Importance of alignment***

Aligning with the environment is extremely important and in a commercial organisation is crucial. For instance, companies such as Microsoft, Yahoo and other tech giants must continually reorganise to align with their environments due to the speed, complexity and change of their business environments. In the public sector, the austerity agenda is presently creating an important change in the environment. However, it could be argued that the larger more strategic change in the public sector is bigger than this and is most easily identified through the academic agenda of New Public Management (NPM). This will be explained in greater detail shortly.

The central issue for the public sector and, in particular, local authorities, is the nature of these organisations as bureaucracies. The changes that have occurred in recent years, such as de-layering, changing services to more holistic descriptions, and other initiatives, have not altered the fundamental nature of the organisation. There is therefore a central contradiction between a bureaucracy, which is slow and stable, in comparison to the nature and speed of change today, even where the form and nature of the organisation is manipulated.

### ***CREAM and alignment with corporate objectives***

Corporate real estate and assets, as the second largest resource and cost after



staff, must play an important part in this realignment; property and asset professionals are well placed to develop their skills to develop this agenda. The RICS public sector asset management guidelines make clear the primacy of property skills alongside business skills for those dealing with this area. In simple terms, property professionals can learn good asset management and practice a lot more easily than general managers can "learn property", whether formally or informally, and this allows senior property managers to develop these opportunities as they wish.

The support of corporate outputs and outcomes through the property and assets agenda are crucial to an understanding of this. These, after all, are the reason public sector bodies exist. How the use of physical assets can be achieved to facilitate these goals and objectives is essential. Haynes' model at the heart of his subsequent co-authored book is central to this. Other skills are useful for this conversation such as consultancy skills, where action, check feedback and review are used on a regular basis to ensure effective alignment with a client's brief and objectives.

### ***Key elements from the change and austerity agenda***

The reduction and alignment of the asset base of an organisation is essential. The earlier agendas of the government's "Working Without Walls" and "Working Outside Walls" continue to develop. The ability of accommodation and space to support and fulfil these agendas is extremely important. Austerity is a global phenomenon, for example, the library service in Japan has reduced nationally by some 20% over the last 5 years. Europe, Australia, the United States and other advanced countries are all subject to the same pressures.

The relevance of the activities in these countries is much greater than might initially be perceived. For example, the Mayor and Cabinet and Leader and Cabinet models now commonly found first originated in the United States and have become common through UK local authorities at all tiers. While we are property professionals, as asset

professionals it is essential for us to understand the environment of our organisation and how we can assist it in meeting the pressures change exerts on it as a whole.

### ***How this fits with New Public Management***

NPM is the academic name given to the changes in how the public sector operated, which began in the late 1980s and was demonstrated in the following decade in the UK, through compulsory and voluntary competitive tendering. This reflected international activity at the time and was a step towards the ultimate direction we are facing today (Hood CJ 1991).

This movement can be considered to be an ongoing one-direction tide sweeping the public sector as a whole. Once this context is understood, the long-term future for public services becomes a lot clearer and more coherent. Likewise, the push back against the trend, which has been exemplified by increased strength and support for more comfortable narratives and alternatives becomes clear. However, these changes will be far-reaching and irreversible.

### ***International activity***

Observing international activity therefore explains much of this on a wider scale. This is important since issues such as Brexit will have effects locally; these concerns have recently been raised by the Midlands Metro Mayor, Andy Street. The East Anglia region, which is closely based on European resources, will feel this effect. Examples like the reduction in labour for horticultural purposes will affect the agricultural industry in that region.

These macro trends are not irrelevant to asset management. Large-scale housing visions are being developed in all Metro Mayor areas and the 3 issues of housing, economy and health dominated work in the West Midlands Combined Authority prior to the Metro Mayor framework formally commencing.

### ***Opportunities for collaboration and alliances***

The role of land and assets to support these 3 areas is extremely important. Master planning, transport, the planning system, and regeneration and growth are central to this agenda. The opportunities to collaborate and take a wider strategic view through enhanced strategic thinking is taking place in both England and Wales. The use of Enterprise Zones has grown again and both England and Wales are using these as centres of gravity to attract and retain investment.

Major public sector bodies have an opportunity to be strong collaborators in these activities. Other organisations, such as Severn Trent will also be bringing forward major residential sites in the West Midlands. The ability of strategic asset management to support the place-making and community development agenda is therefore essential. These new developments, which will be significant, will require schools, health facilities, leisure facilities and other services to support the lives of the residents.

### ***How to align these and make them work effectively***

Various initiatives have a role and are both useful within themselves and helpful in developing vision and opportunity. Examples include One Public Estate and other collaboration exercises, both within formal frameworks and those identified more locally. Perhaps the biggest issue here is how to make various plans and activities come together successfully. These might be likened to gear cogs of different sizes rotating at different speeds and the difficulty is getting them to mesh together.

The length of time property issues take is well known and long-term master planning requires significant lead-in times in the property area. Previous frameworks such as Comprehensive Performance Assessment, Beacon Council Scheme and other learning opportunities are now historical memories. However, they served an important role in showcasing opportunities and galvanising the thoughts of other organisations.

## ***Role of the voluntary sector***

The role of the voluntary sector has become more important and there are many exciting and effective opportunities being developed in this sector, now it has become a more significant player. The role of alternative delivery models for public sector bodies, particularly local authorities, has been a significant catalyst in the area.

No local authority service is beyond this scope any more. Examples now exist of significant parts of the education and social services sectors being delivered through alternative delivery models. Interestingly these are sometimes based more on the position a business or service is at rather than on geography.

These changes are extremely important, since it is essential that financial and asset considerations are assessed effectively and efficiently for alternative delivery model firms and spin offs. The Teckal company model has become increasingly popular, where 20% of a company's business may come from outside the public sector. Examples based on legal services, property services, social services, waste management and education can be found around the country. These will become far more common as local authorities in particular become commissioning bodies.

## ***Developing shared visions***

Development of shared visions are essential. In most cases a spin-out will have one main customer and the relationship can be quite difficult as the transition from in-council service to stand-alone activity takes place. The difficulties are not all on the spin-out side of course. Council Members find the role of such externalised organisations difficult and often Members have an active role in the governance of such new organisations, making the clarity of roles and viewpoints difficult.

Naturally there are also issues for assets. Creating landlord and tenant relations alongside commercial relations through contracts can be more easily achieved on paper than in psychology. The

creation of landlord and tenant positions also needs to be carefully considered when working alongside the pre-existing voluntary sector, as well as new community groups. As community asset transfer opportunities continue to grow in number and scale, this will become a more important issue.

## ***Networking and best practice information***

Various bodies such as Locality Matters provide an opportunity for these groups to consider best practice and core principles. These are helpful networks and forums enabling informal groups to develop and serious players to develop and evolve and engage with the established public sector [Ed – see article on community-led housing by Locality in this edition of Terrier].

Community initiatives have become much broader and longer-term than many community asset transfer scenarios from the last few years. However, when the scenario of peppercorn rents and other examples of historic errors made in respect of effective property management are considered, the sense of long-term community asset requests, common sense emphasises caution.

## ***Role of the middle and senior property and asset managers***

Fundamental areas, such as governance, compliance and risk management will clearly become more central to the role of the asset manager. It is therefore likely that alignment with FM, ICT, HR and other core functions will become essential. The principal reason for this will be that the asset manager in this context is a business manager, not a property manager and will have to look to these disciplines for examples of good practice in these essential core areas. Examples include the Stoddart report in addition to earlier examples such as "Working without Walls".

## ***Conclusion and the future***

The future looks bright for asset management, so long as practitioners understand and effectively grasp these

opportunities. The roles of HR and ICT have been significantly debated in the public and commercial sectors. The role of marketing in the commercial sector has also been considered carefully as a strategic imperative. As the public sector becomes more commercially orientated, alternative delivery model companies will become the norm. A wide range of marketplaces for various services are likely to be created. How long before marketing and other commercial issues are considered in the same breath as fundamental issues for the "Future Public Sector" (FPS)? Indeed, FPS might supplant NPM as an all-embracing phrase for this new paradigm.

[Ed – see also the articles on shared property services and local authority companies in this edition of the Terrier].



## CARLISLE, CITY OF THE LAKES, WOULD LIKE TO MEET PARTNER FOR LONG-TERM RELATIONSHIP

Mark Walshe

*Mark is Strategic Asset Investment Services Manager for Carlisle City Council. He has responsibility for the council's investment portfolio and is also property lead for redevelopment. He has been based in Carlisle since 2000; prior to this he worked for Birmingham City Council.*

In 2017 Autumn Terrier, I featured an article by Rory Finnan, Director, Head of Asset Management for Chancerygate. Rory wrote about partnering with Carlisle City Council in the management of 2 industrial estates. Mark volunteered to write this, from the client's perspective, on how the first year of the relationship has gone.

I always find it amusing to read the lonely-hearts column of our local newspaper and enjoy the pitches of those seeking a partner. Some are highly amusing; others appear downright desperate; and I often wonder what is the success rate achieved? However, given that they still appear, even in this digital era, leads me to think that some at least must be successful. Indeed, one of our long-since retired solicitors once placed an advert in our local newspaper and much to our amusement, he did indeed get several responses and agreed to a meeting. The best suit was out of the wardrobe, along with a new shirt and tie. Shoes were polished, hair was cut, and the obligatory red rose worn as requested; unfortunately his date never turned up – much to the amusement of the whole office! Note to self - if I ever go down this route must remember not to tell anyone!

I've often thought that our OJEU notices would be much more interesting if we could do them in a similar style to the lonely-hearts advertisements. "Carlisle, City of the Lakes, would like to meet partner for long term relationship for fun times and mutual benefit, no strings attached!" I can just see the look on my procurement colleagues' faces if I were to suggest such a thing!



## Why we wanted a partner

In 2016 Carlisle City Council appointed Chancerygate as asset managers for its Kingstown Industrial Estate and Parkhouse Business Park. The estates are home to over 140 national and international businesses that employ more than 2,000 people, with a rent roll in excess of £2m.

Why do it I hear you ask? Well, like many, we have always struggled to get adequate resources to maximise the estates potential. I recall back in my early days with the authority, we were trying to secure funding to manage the estate proactively. I cooked up a plan with the then Head of Property to take Members on a coach tour of our industrial estates to raise awareness. At the time we collected as much from our property portfolio as we collected in Council Tax, with minimal resources.

A key aim was to secure funding to resolve a backlog of maintenance. I instructed the coach driver to hit every pot hole he could find..... let's just say Members "felt" the issues and funding was secured - sometimes you need to think outside the box! The public-sector cutbacks have only made matters worse and we, like many other authorities, have precious few resources to manage our assets. We needed to do something different and after exploring numerous options, the decision was taken to seek out a partner to help us manage the

assets and maximise the opportunities that were available.

## The process and progress

In terms of the appointment of Chancerygate, there's no getting away from it, the process is a bit like dating – it is arduous, but the results can be worth the pain. The appointment of Chancerygate most certainly was worth the pain! Since appointment in 2016, a business plan has been prepared for the future management of the estate and work has commenced on implementation. Three key development sites have been identified, one of which is in solicitors' hands, with detailed opportunities developed for another. An under-performing asset has been sold, releasing much-needed capital to further our redevelopment aspirations, rental income has increased, tenant liaison has been undertaken, new signage developed and a heavy workload has been taken off our shoulders, to name but a few.

The most important thing that a good partner can bring to the table is speed of delivery. In June 2017 a property on the periphery of our ownership was brought to the market which we considered could be a good strategic acquisition. Following a hastily convened meeting, Chancerygate prepared a full development appraisal within a week, for consideration by the council and a bid was duly submitted. Now I'm sure you are all expecting me to add that we acquired the property and all lived

happily ever after. Well, as we all know, life isn't always like that. Unfortunately, our bid was unsuccessful with us losing out to the dreaded special purchaser. Although disappointing, what the opportunity did show was the benefits that Chancerygate brought to the management of the estate, especially when opportunities arise. They had the necessary skills and experience to put together a comprehensive appraisal within a couple of days, outlining the opportunity that the acquisition presented. Without their appointment, we would not have progressed beyond the dark world of procurement within a week, never mind started on the appraisal, and as we all know this is how you miss opportunities.

In the early stages of any relationship you have to develop confidence. Our experiences to date fill me with both confidence and excitement for the future. Opportunities that I could only have dreamed about in the past now look like they may come to fruition. As we enter 2018 I am genuinely excited about the future, rather than worrying as I have done in the past.

So, if you are struggling with resources, dust off your best suit, purchase a new shirt and tie, polish the shoes, get the hair cut and buy the obligatory red rose – and get that advert in the lonely-hearts column – also known as OJEU. What have you got to lose? Just don't tell everyone else in the office!

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# ASSET CHALLENGE

Susan Robinson

*Susan Robinson MRICS is a Construction and Property Advisor with CIPFA Property. Her remit is to promote best practice in property asset management within the public sector. This includes the development and delivery of CIPFA's Strategic Assets Network (formerly Asset Management Network) and Property Training Network, production of best practice briefings in relation to current topics and provision of specific consultancy projects. susan.robinson@cipfa.org.uk*  
*CIPFA Property: [www.cipfa.org/services/property](http://www.cipfa.org/services/property)*

Susan from CIPFA outlines an objective process for challenging the reasons why public sector bodies are holding assets, and options for either keeping or using in alternative ways both operational and non-operational assets.

## Context

The public sector holds a wide range of assets within their property portfolios. These assets are a valuable resource and one which should be managed in an efficient and effective way, and in line with the organisation's corporate aims and objectives. If the resource is not managed well, there is potential for wasting revenue on operating and maintaining assets that are either ineffective or inefficient. Equally, there is capital value locked into assets, which if the asset is no longer required, could be realised.

Where assets are still required, then the wrong asset in the wrong location can make a difference to the efficiency of services delivered and impact negatively on customer access to those services. If property assets are not well maintained, this affects the customer experience, can impact negatively on the organisation's reputation in the community, and can increase the whole life cost over the longer term.

Assets cannot be managed in isolation from the organisation's key policies and strategies, as they are a key resource in the achievement of strategic priorities.

## Asset challenge

However, a response we often get when

we ask public sector organisations if they have a structured asset challenge process which considers the strategic purpose for holding the asset is: 'we have a challenge process but it is not formally documented and it is a little ad-hoc.' When we dig a little deeper, we often find that the asset challenge process is simply about collecting data on running costs, condition and suitability. Generally speaking, the process is just not comprehensive and only covers some asset types e.g. operational.

In addition, this sort of approach can be very resource-intensive and in many organisations, the data is just not readily available. Consequently, this means that the challenge process is often undermined and very quickly grinds to a halt, or it takes so long to make sense of the data that by the time you do, things have moved on and you realise that you have wasted your time! Basically very little is achieved.

Does this sound familiar?

If it does, ask yourself has the asset base held by your organisation really been challenged?

With reducing budgets and staff resources and the growing expectation that property can be the panacea for all problems, now seems the right time to question your approach to asset challenge.

- But what should a robust asset challenge process look like?
- If running cost, condition and suitability data is not the starting point, then what is?

A successful asset challenge process should allow an organisation to understand what assets they own, what are these costs, including the opportunity cost, what benefit is derived from them and whether there are any unexploited opportunities.

## So where do you start?

CIPFA Property has devised an asset challenge framework which comprises 6 key steps:

1. Determine the strategic purpose for holding the asset
2. Consider opportunities and risks
3. Carry out a performance appraisal
4. Undertake an option appraisal based on opportunities, risk, performance
5. Undertake consultation with key stakeholders
6. Outcome delivery, e.g. retain, replace/remodel or reuse or disposal of the asset.

The first 3 steps are carried out by completing a spreadsheet tool that we have devised and tested through our Strategic Assets Network. The spreadsheet places a score against each step which generates a prioritised list of assets to take forward to Step 4 - Option Appraisal.

The scoring system is not fixed and can be adjusted by the user to reflect the priorities and challenges of their particular organisation. In that sense, it is flexible and can be adapted to changing circumstances or policy initiatives.

#### Step 1 - Determine strategic purpose for holding the asset

It is our view at CIPFA Property that the starting point for any asset challenge process is to question the strategic purpose for holding the asset. The purpose for holding each asset needs to be clear, so that the performance of each asset can be linked to its strategic purpose for holding it. The organisation's performance management framework should be able to monitor the effectiveness and efficiency of the assets for their stated purpose. This should be carried out for all asset types, not just operational assets, and including those you lease out. Don't forget about the commercial estate, industrial units, farms, allotments, garages, community centres, sports clubs, land, etc. Also importantly, you should include 'surplus' assets; all too

often we find that a service no longer requires an asset and it is determined that it is no longer required by the organisation, but for political reasons it is retained.

There are some simple questions that can be asked to find out whether the strategic purpose of holding the asset is known, these are:

1. Is the asset 'only' for providing a service?
2. Does the asset generate an income and deliver service?
3. Is the asset held solely for financial reasons?
4. Is the asset surplus?

To be able to answer 'yes' as to whether the asset is surplus there should be a clear and approved plan for disposal/reuse with clear timeframes set out. This should include clear accountability for interim management and progress reporting.

For every asset you hold you should be able to respond positively to one of the 4 questions above. If you cannot, then we would suggest that you do not know the strategic purpose for holding the asset. This needs to be established before progressing any further.

#### Step 2 - Establish if there are significant opportunities and/or risks

##### *Significant opportunities*

As mentioned previously, an area that is frequently overlooked in asset challenge is whether the asset base offers any opportunities that could be exploited. To be able to answer this, we believe there are a number of simple questions that should be asked:

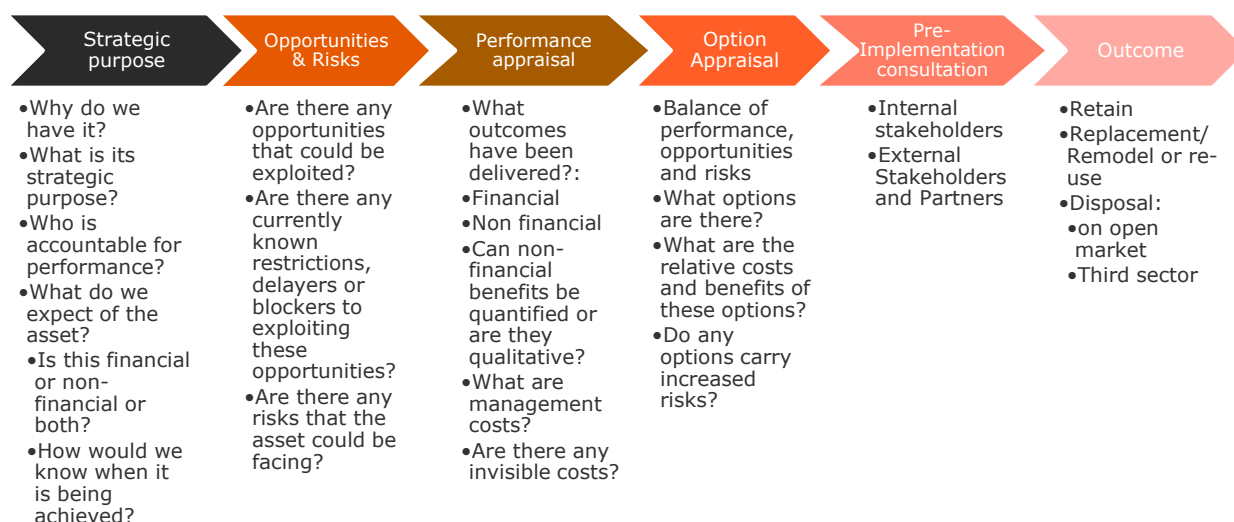
- Is there a realistic alternative use value?
- Are there opportunities for the asset/site to be used for an alternative purpose?
- Is there an opportunity to reduce costs e.g. through shared use, transferring to third sector, lease off an area etc?
- Are there opportunities for improved or new income generation?

All of the above questions should be considered for all assets.

##### *Significant risks*

Again, risks are often overlooked until it is too late to do anything about them. The framework we have developed seeks to identify any risks early, so that the asset

## The asset challenge process





challenge process can consider how to deal with these. As with opportunities, we have identified a number of simple questions to ask for every asset:

Is there a risk now or in the foreseeable future to the organisation of:

- Reputational damage?
- Loss of income?
- Loss of value?
- Future maintenance liability? eg. dilapidations
- Damage, death or injury?
- Illegal occupation?
- Loss of business continuity?

### Step 3 - Performance appraisal

Whether an organisation wishes to continue to step 3, (performance appraisal) for all assets will depend on how thoroughly they have challenged the assets previously and what information is easily available. As mentioned earlier, for many this is often the starting point in any asset challenge process, without any detailed thought on what areas of performance will be appraised and what this will tell the organisation. A good example of this is running costs. If an asset has high running costs does this indicate it is

an inefficient asset? Well that surely depends on how intensively it is used!

The performance appraisal of an asset is influenced by the purpose for which the asset is held (see Step 1). However, for all assets there are common areas of performance such as condition, running costs, and building compliance that need to be considered. There are then specific areas that relate to the purpose for which the asset is being used e.g.

- Service only assets: suitability and flexibility
- Service and income generating assets: as well as suitability and flexibility, consideration of the revenue stream/return on capital employed, target income, etc.
- Assets held for financial reasons only: consideration of capital growth, rate of return, does retention represent a sound and balanced investment? etc., and
- Surplus assets: consideration should be given to the cost of disposal versus capital receipt/cost savings made, potential to generate a revenue stream, interim management costs, etc.

Whatever the asset challenge model an organisation uses, it should provide a rigorous and systematic approach to challenge the retention and use of every

asset. It should be flexible enough to be adapted to reflect any changes in the organisation's priorities e.g. capital receipt versus revenue generation. This ultimately will assist in determining whether the organisation should:

- Retain the asset in existing use:
  - As it is
  - With improvements
- Replace/remodel or reuse:
  - For another purpose
  - Shared use
- Dispose:
  - On the market
  - To a partner organisation
  - To the third sector.

We have set out above an outline of the CIPFA Property Asset Challenge Framework which has been developed and tested through our Strategic Assets Network members. If anyone requires any further information, then please do not hesitate to contact CIPFA at [www.cipfa.org/services/property](http://www.cipfa.org/services/property) or at [property@cipfa.org](mailto:property@cipfa.org)

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## RURAL ROUND-UP

Alastair Paul

*Alastair is a Partner at Knight Frank and is responsible for the Rural Asset Management team in the East of the UK. His Investment Land Management team is a service line established to assist the public sector, charities and institutions with the management of their rural portfolios. [alastair.paul@knightfrank.com](mailto:alastair.paul@knightfrank.com)*

This is an annual feature aimed at those who deal with (to a lesser or greater extent) rural estates and portfolios. It covers the key industry news, deals with land prices and rents, and touches on a few relevant matters currently affecting the industry. Alastair hopes that it provides a talking point for officers who deal day to day with rural estates and allows senior management to stay abreast of rural issues.

### **Main news - Brexit and farm subsidies**

It seems extraordinary timing, but I wrote this article on the same day that Michael Gove addressed the Oxford Farming Conference and set out (really properly for the first time) the government's view on a post Brexit agricultural policy.

In broad terms, the government wants to give farmers a sufficient amount of time to be able to reorganise their businesses to adapt to a lack of direct subsidy payments. We had already been told that farm support was guaranteed (it is assumed broadly in the same form as currently exists) up until the end of the current parliament in 2022. However, in his speech, Mr Gove said he 'envisaged guaranteeing' the existing subsidy payments for a transitional period but there was no detail on timescales.

What did not come as a surprise was the concept of capping for the largest subsidy claimants: the view being that very large landowners should be able to afford to support themselves. Whether this is right or wrong in a farming context, it is understandable that the tax payer does not feel inclined to support landowners when vital services like the NHS are so publically struggling.

The new policy will be focused on the principle of public goods for public money. It is expected that the public would be happier to reward farmers for delivering tangible benefits ie planting woodland, boosting wildlife, improving water quality, recreating wildflower meadows, or allowing public access. Many farmers are already fully engaged in delivering these benefits on their land, but the new scheme will ensure that those farmers that are not will have no choice but to sign up or lose any chance of support payment.

As with all things Brexit, some certainty is very welcome and perhaps, even if what is being suggested, is not quite right for everyone.

For rural portfolio landlords, the certainty of subsidy support and an orderly transition to a new scheme is very good news. It will help to keep rents stable and will not mean an immediate need for new reworded agreements. However, the agricultural landlord and tenant relationship has traditionally (and out of necessity rather than choice) been a very close one. Farms are not office blocks, which are let on a FRI basis for 20+ years and thought about just before each rent review. They are large blocks of land which can be seen for miles and walked over daily by the public.

In the public sector, the farm tenant's management decisions are made in front of the public and when the public does not like it, people take the matter up with the landlord (the council) rather than the farmer. In many cases the landlord is (by virtue of historical and legally binding tenancies) not able to influence or stop some management practises. When this happens, the public does not really believe the councils when they say their hands are tied and turn to councillors, whereupon, the matter generally gets rather out of control. Sadly, the result is a strained landlord and tenant relationship.

Now that we have some certainty that future government-based farm payments are only going to be paid for public benefits, farmers will need to start thinking about how this will affect their farms in the future. Public authority landowners also need to start to think about how the on-farm changes will affect their long-term goals for the land.

A lack of dialogue and a lack of action will store up problems for the future. The most obvious and contentious one is where the authority has identified a farm or part of a farm for development and the tenant needs to create environmental benefits for support payments. Those 2 elements are not aligned and will need a great deal of care to navigate through.

## **Commodity market rents and land prices**

### Market rents

For the first time in about the last 2 years, it seems that some stability has returned to the markets. Cereal prices have been pretty stable for the latter part of this year and sit at a level where farmers are reasonably comfortable

The problem is that the prices are significantly better than where they have been, but still a long way off from where they were 3 or 4 years ago. As an example, a tonne of feed wheat is worth around £135 today. In recent years it has swung from over £200 to under £100. The cost of production marches up year on year and farmers have to combat that with more efficient methods of establishing crops.

The very high cereal prices resulted in quick and significant rent rises across the board. Rents lag behind commodity prices because historically farm tenancies only allow for 3-yearly rent reviews – but crucially, with rents capable of going both up and down. Farm profitability governs rents and in some cases short-term dips in cereal prices are not prolonged enough to enable a tenant to serve a rent review notice to negotiate the rent down. I believe that a number of tenants hoped that the prices would rise before they did and found themselves out of time to serve notices. As commodity prices show no signs of rebounding to previous highs, those who have not served notices to reduce rents will have time to do that over the next 2 or so years.

The rental market has nearly adjusted and we expect it to be set for the next few years. However, if Brexit changes farming profitability, as is expected, then rents will have to change again accordingly. Those setting income budgets for rural portfolios need to consider carefully 2022 and beyond.

### So what does this all mean for land prices?

It is clear now that uncertainty has had an impact on the market. Over the past 24 months, average values have fallen by 12%, slicing £1,000 off the price of

an acre of land. While this might look catastrophic to some, farmland is a long-term investment asset class. The 50-year trend shows a remarkable upward curve, but of course if you focus in to periods of say 2 to 3 years, you will see that the upwards line fluctuates.

Farmland remains one of the best long-term investments with values up 83% over the past 10 years, comfortably outpacing the mainstream housing market (+15%) and even prime central London homes (+28%). Given the low transaction volumes of recent years, the vast majority of portfolio holders will still be sitting on an asset that has greatly increased since it became publicly owned.

The most pressing question is whether the current equilibrium between the factors putting downwards pressure on values and those helping to sustain them remain in place. The main downwards threat of course remains the uncertainty surrounding the Brexit process. This uncertainty limits the upside for land values in the near term, but unless a significant number of farmers exit the industry because of Brexit, it is unlikely to cause a slump in prices. A short-term exodus seems unlikely, given many farmers advocated leaving the EU and some kind of financial support is likely to remain in place for the foreseeable future.

In addition, a number of factors are helping to support the market. The decline in sterling and more favourable economic conditions continue to underpin farm-gate prices for most agricultural commodities. An increasing amount of development, including HS2, is also helping to boost competition for the limited amount of agricultural land currently available. A significant number of farmers or landowners who have sold land or had it compulsorily purchased for development are looking for alternative property.

### **Points to note**

These are some of the other topical issues that might be of interest:

#### Minimum Energy Efficiency Standard

I know I covered this in the last round-up

report, and while I am not surprised by the lack of action because of a lack of funds, I am a bit surprised that I see very few trying to establish the extent of their legal and financial liability. The situation in the agricultural world, with farms and equestrian centres etc being let under several types of legislation, is complicated and some proper investigation is required.

The part that is testing agents is not identifying whether a property complies or not, but establishing what work is required to ensure a re-test passes. The guidance set out on an EPC appears sensible in theory but far more complicated in practice.

#### Tenancy Reform

The type of tenancy that can be used in the agricultural industry is very much divided between whether the land was occupied prior to or post-1995.

Land let prior to 1995 will be what is known as an AHA (Agricultural Holdings Act 1986 tenancy) and post 1995 it will be an FBT (an Agricultural Tenancies Act 1995 tenancy). The AHA has a framework seen to favour the tenant; the FBT legislation favours the landlord. However, the AHA legislation contains clauses that allow generational succession and caps the rent that can be charged. These and other factors mean that land value under an AHA is significantly lower (up to 50% and in some cases more) than land under a FBT.

Recent research has shown that 22 years after FBTs were introduced, AHAs still account for 17% of the agricultural area of England. With a significant number being larger and equipped units, often the base for substantial farming businesses, using FBTs and owned land, AHAs are, on current trends and with remaining successions, likely to be a significant force until after 2050, with some final successions and company tenancies running into the next century.

The Tenancy Reform Industry Working Group (TRIG) was set up to consider these issues and have come up with a number of recommendations that the government is considering. The details are really far too difficult to explain

succinctly in this article but as many portfolios include AHA tenancies, the changes could have a significant impact on the management of let farms and the future reorganisation of estates. If anything it will provide an opportunity for both landlord and tenant to discuss the longer term and try and align their mutual objectives. [Ed – ACES Rural Branch is a full participating member of TRIG].

#### Health and Safety

I am sad and depressed to write that in 2017 Agriculture overtook Construction as the most dangerous industry in the UK.

My personal motive in this respect is that I spent many summers as a student working on farms and while it was considered acceptable practice at the time, I undertook regular tasks (climbing up vertical fixed ladders into grain store roofs 30 or so feet above a solid concrete floor, with a shovel in one hand!) which if I slipped, would have killed me. Looking

back at some close shaves, I can't believe that this was considered acceptable and sadly, on very many farms absolutely nothing has changed.

So in consequence, I take this subject very seriously and thankfully, the firm I work for is at the forefront of the industry in this respect. It is a difficult subject for councils to deal with as their tenants are not aligned to the corporate landlord world in which most officers exist. As farms are not let on FRI-type principles, landlords retain responsibility for a number of elements. In the public sector, when there is an issue on a farm, the council is the one which often attracts the lion's share of the bad PR.

We have found the easiest place to start is by gathering the relevant physical facts. Does the farm tenant actually farm the farm or does someone else (a concept accepted by the older farm tenancy legislation)? What are the dangerous elements on the farm, eg steep slopes,

low hanging power lines, deep ditches, weak bridges? What is the tenant's view on H&S, does he/she have a written H&S plan, etc etc?

Establishing the facts is time-consuming but easy to do, but storing that data and monitoring it (with trigger points for action) on larger portfolios is a very difficult job. In order to solve this problem, Knight Frank has commissioned and is due to implement shortly a software package (with Apps to aid inspections and on-site record keeping). Once tested and refined, we hope to be able to demonstrate a new innovative way to deal with this particular issue.

The next problem is how our public sector clients juggle their budgets to address areas of concern in their portfolios. As great a challenge as this is, I would rather know what my problems are - even if I haven't quite got a plan in place to solve them!



## CLOUD: BEYOND THE WHITE THINGS IN THE SKY

Mark Wardman

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*Mark is the Managing Director of The Technology Forge, providers of property and asset management software. The Technology Forge has over 150 public and private sector clients across Great Britain and Northern Ireland. [Mark.Wardman@technologyforge.com](mailto:Mark.Wardman@technologyforge.com)*

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Mark makes a compelling case for considering and adopting cloud-based solutions for software tools, in this ever-developing world of IT. He also gives some useful advice on what to look out for, when choosing a supplier. "...it seems that products that have not been developed with a 'cloud first' design are rapidly being considered obsolete and not worth investing in."

### **Introduction**

'Cloud First', 'SaaS' and 'Disruptive Technology' are all phrases you will hear being bandied round when selecting, deploying and using property and asset management software. It is accepted that implementing cloud-based software is the way forward for many organisations, but what does that really mean and how

will it impact you? The range of options and types of solutions that are sold as 'Cloud' are countless and the jargon can be confusing and often contradictory.

It should be noted that true cloud solutions are not simply older applications with a new front end, but will have been designed from the bottom up, to work in the new world.

As part of the current initiative for the adoption of cloud for business, in both the public and private sectors, we would argue that the factors explained below are key when considering a software change and whether migrating to a cloud solution would benefit you. Business drivers and technology challenges are consistent regardless of size, budget and organisational ability.

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However, understanding how a move to cloud could specifically affect you will lead to more informed and better decision-making.

### ***Work from anywhere***

The public sector is becoming more agile in the way that it manages staff and delivers services. In order to succeed in this new world, councils need to be flexible and innovative in the locations where people work and the equipment that they use. This level of agility and flexibility can only truly be met using a cloud computing solution, which enables software to be deployed:

- On any device - PC, tablet, phone
- At any location - office, remote working, when mobile
- Via any browser - no third party plugins, various platforms, from different suppliers.

All that is required is an internet connection via WiFi, or even a phone line, and you can be at work. This means that employees can have a better work-life balance, increasing productivity, and improving staff retention while driving down property costs.

### ***Drive down cost***

One major advantage is that the cost of the hardware infrastructure can be shared across a number of implementations, thus driving down the cost. There is also the option for using SaaS (Software as a Service) which is in line with the government procurement strategy and frameworks, such as G-Cloud. SaaS removes the need for a significant up-front investment and enables customers to pay for the system as they use it. The days when the IT department charged a business unit for a dedicated server(s) are gone. Now users pay for the resources that they need, based on software and users only.

### ***Better collaboration***

Where teams from both inside and outside an organisation can access, share and edit information from anywhere without software installation, they

can be more efficient and productive. Cloud-based solutions not only facilitate this, but make it simple and transparent without adding costs for hardware or support. In most cloud products, you would expect different licence types and costs for different user roles, meaning light touch users or external party access could be defined and managed locally, to ensure the right people see the relevant information.

### ***Enhanced support***

This is the responsibility of the software supplier and requires no involvement from the local IT support, other than the provision of a device (PC, tablet, Chromebook or phone) with a browser.

When it comes to support, there is a single point of contact for both the hardware and the software. The staff on the help desk are familiar with both the software and hardware environment, meaning the issues can be dealt with much faster and leading to less frustration from users.

Suppliers will normally offer guaranteed service level agreements as part of the contract covering response times, system availability and back-up. If in doubt over performance, check with the supplier directly or contact its existing clients for feedback on their support experiences.

### ***Managed upgrades***

These are all handled by the software supplier and should be included in the SaaS fee. The work should be done out of hours and as there is no requirement to deploy any software to PCs, etc., therefore the impact on the end user is almost non-existent.

However, it is worth considering the phrase 'multi-tenancy', which is often quoted as a reason to adopt cloud solutions. And while this is true when it comes to hardware, at Technology Forge we don't believe in this for the application and database. It is vital that each council can retain control on upgrades and configuration changes, based on their business needs, not being forced to upgrade at a point to suit the supplier or other users. Although a 'multi-tenant' database might appear to be cheaper, it often comes at a cost of

loss of control, which can far outweigh the savings. This becomes particularly critical where there is integration with other Enterprise apps and the need to ensure ongoing availability.

### ***Easier integration***

A key component of a cloud solution is the ability to share data between applications, without the need for expensive bespoke file transfer mechanisms. Any system that has been properly designed to work in the cloud world will have RESTful Application Programming Interface (API) support. For example, Twitter has an API that allows users with the appropriate skills to develop software to post tweets without using the Twitter app.

This means that different organisations can use and share data without the need to understand the detailed underlying technology; think of it as a black box into which you can pass requests for data and from which the data is received.

If your potential supplier doesn't already deploy this technology, they should be discounted, if you ever wish to integrate your cloud solution with other Enterprise applications.

### ***Use mobile apps***

Although a cloud solution can be deployed from anywhere with an internet connection and run on any device, such as a tablet, this is only part of the mobile solution. There is an ever-increasing need for mobile apps to run without an internet connection; when surveying or working on a phone or tablet in remote locations, there can often be a lack of connection or blackspots. Cloud solutions should provide the option to download data for offline working, with the ability to synchronise back when a connection is available.

Additionally, users expect that the apps will be tailored to provide specific functionality in a simpler layout that is suited to a smaller form factor. Double check that the supplier has thought out the supporting apps, keeping in mind the app end user requirements, roles and capabilities i.e. building occupier, contractor, surveyor.



## Innovation

A supplier that doesn't innovate and keep pace with changing requirements and technology will eventually fail and cease to exist. The cloud is a great example of this and it seems that products that have not been developed with a 'cloud first' design are rapidly being considered obsolete and not worth investing in. As outlined before, solutions that require additional software, are browser specific, run through emulators without have integration and mobile options, should be avoided.

Another aspect of innovation in 2018 is speed and agility. The best suppliers will have moved away from proprietary technology that limits future progress and will have adopted an Agile approach to software development, ensuring they can keep up with the ever-changing world and public sector requirements. It is normal to expect that software releases are measured in 2-week Sprints (absolutely no more than 4 weeks) and that new features and functionality can be delivered in weeks rather than months and years. You only need to look at the rate of updates through the Apple or Android stores to see the speed at which the world's best software companies now innovate.

The easiest way to validate the capability of a potential supplier is to search on the relevant store i.e. Apple App Store, Android Play Store or Windows Store. Ideally there should be apps available on all platforms, to ensure that you have flexibility and choice when it comes to your preferred hardware platform.

## Supplier capability and focus

This is arguably the most important factor when selecting a software partner. The key questions are 'how well does the supplier understand my business?' And how committed are suppliers to the market both in the short-term and also in the medium to long-term?

Obviously, the supplier needs to understand how property and estates management are managed in the UK public sector, with software that has been designed and built accordingly. This includes specific functionality such as outputting "transparency" data, responding to the government's BIM agenda, as well as more standard requirements such as General Data Protection Regulation compliance. In addition, the supplier should have software development and support as its primary business focus, with evidence of innovation, such as new products and apps being updated and developed. This ensures that suppliers are reliant on the software continuing to work and being regularly updated, to ensure they are still relevant.



## CITIES AND ACTIVE TRAVEL

Neil Webster

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Given ACES' strong relationship with Public Health England, this article looks at how cities are evolving and the role sustainable travel is playing in supporting that change. London and major British cities have some catching up to do, in European ranking.

## Context

The increasing trend towards urbanisation is not in doubt. According to the UN, 66% of the world's population will be living in urban areas by 2050 (currently 54%). Unless this trend suddenly reverses, the pressure on city transport networks will not abate. City

strategies towards travel need to evolve accordingly. Several UK cities have already made statements that they will not be expanding their road networks. The latest draft of the London Mayor's Transport Strategy sets out a goal that sustainable travel (public transport, walking and cycling) needs to shift from 64% of modal share currently to 80%

by 2041. This is during a period which will see daily trips rise from 26.7 to 32 million. In effect, sustainable trips need to increase by 50% during this period.

All of this points to the need to be less dependent on the private car; city strategies need to be based around "Mobility as a service". This concept is



based on the premise that cities need to look to provide more integrated transport systems than currently. While many link the travel planning and payments systems of buses and trains, very few include boats, trams, bicycles, walking, etc in the same system. These could be included in an Oyster-style system across all transport modes and incentives, where active travel earns points which can be spent on other modes e.g. cycle 20 miles and exchange the “points” earned for one train journey. Not only will this require the systems but also some behaviour change and “nudge” style incentives. For example, the route maps on board Bordeaux trams show all stops where their cycle share scheme has docking stations. Not something currently available in London.

Changing a travel infrastructure network is not an overnight project. HS2 is a slow burn. Cycling Superhighways in London are meeting pockets of resistance and funding is not plentiful. However, the evidence in favour of change is compelling. Apart from the drivers for change raised above, there are several health and social benefits proven by academic research:

- Glasgow University demonstrated that higher levels of exercise, eg commuter cycling, reduce the risk of cancer by 45% and cardiovascular diseases by 15%
- The International Journal of Obesity has shown that meaningful fat loss was obtained by taking 6 months of active commuting and leisure-time exercise

- University of California proved that old people who are most active had 5% more grey matter than those who were least active, thus reducing the risk of Alzheimer’s. Also, after cycling on a stationary bike for 15 minutes, people with depression reduced their level of stress
- Various reports based on research by Hendrikson et al (2010) have shown that active cyclists take 1-2 fewer sick days than other employees, which would save £13bn for the UK economy
- In a very recent Sustrans report on air pollution, it was shown that up to 40,000 early deaths are attributable to air pollution each year in the UK; road transport is responsible for 80% of the pollution where legal limits are being broken.

### ***Health v Safety!***

All the above support the main driver cited by cyclists for taking up the activity, namely health. In the recent British Council for Offices report on cycling and offices (*‘The Market Cycles’*), over 90% of respondents cited health as one of their reasons for cycling to work. However, safety is one of the barriers to people taking up cycling. Nearly one third of non-cyclists indicated in the same report that safer cycling routes would encourage them to cycle to work.





## Targets

Several UK cities seem to have accepted the challenge and are effecting change. In the 2017 Bike Life reports, 7 UK cities (Belfast, Birmingham, Bristol, Cardiff, Edinburgh, Manchester and Newcastle) set out their aspirations for cycling growth. For example, in 2017 Manchester reaffirmed its commitment to see 10% of all journeys made by bike by 2025. A report to the Mayor of Greater Manchester by Chris Boardman, the Cycling and Walking Commissioner for the Greater Manchester Combined Authority, and British Cycling Policy Advisor, also recently published the 'Made to Move' report, which set out how they plan to achieve that target. Bristol's target is to have 20% of commuter trips

into the city by 2020. In 2017 it currently stands at 12%.

## Initiatives

To achieve these aims, no single initiative will be the silver bullet solution and they will vary from place to place. Investment in cycling infrastructure will help. Examples include the West-East and North-South Cycling Superhighways in London, as well as the 14km Leeds-Bradford CS1 Superhighway of segregated cycle route running along the A647.

Manchester has set out a 15-step plan to achieve its targets for an increase in walking and cycling ('Made to Move'). These include ring-fencing an infrastructure fund, delivering temporary

street improvements, working with the freight industry, partnering with schools and adopting measures based on people movement rather than motor traffic.

The NHS also has its Healthy New Towns programme. There are 10 demonstrator sites across the UK where best practice is being developed, with case studies and guidance to help new housing developments embed principles, promoting health and wellbeing and securing high quality health and care services.

Cities around the world have also shown that improved cycling activity can have economic benefits. In New York, making Times Square more walkable increased retail sales by 172%. Initiatives can also be fun and visually stimulating. In Denmark waste bins have been designed at an angle so cyclists can drop off their rubbish without needing to pull in. In Trondheim, Norway, a cycle lift allows users to be dragged up the steep incline by placing one foot onto a steel plate which propels them up the hill. Others include solar lit cycleways in the Netherlands and Poland, cycleway pontoons in Portland, Oregon, and the proposed Thames Deckway in London.

## Summary

The move towards active travel is partly driven by congestion as well as health and wellbeing. In the UK we have a fair way to go yet. No UK cities feature in the top 5 healthy cities worldwide, nor do any get listed in the top 20 cycle friendly cities as defined by the Copenhagenize Index. It will be interesting to see if the current government target to double cycling in the next 10 years can be delivered.

The BCO report can be downloaded for free from [http://www.bco.org.uk/Research/Publications/The\\_Market\\_Cycles.aspx](http://www.bco.org.uk/Research/Publications/The_Market_Cycles.aspx)





# CREWE HIGH SPEED READY HEART

Andy Kehoe

*Andy is Head of Asset Management and Regeneration at Cheshire East Borough Council, and a member of ACES Council.*

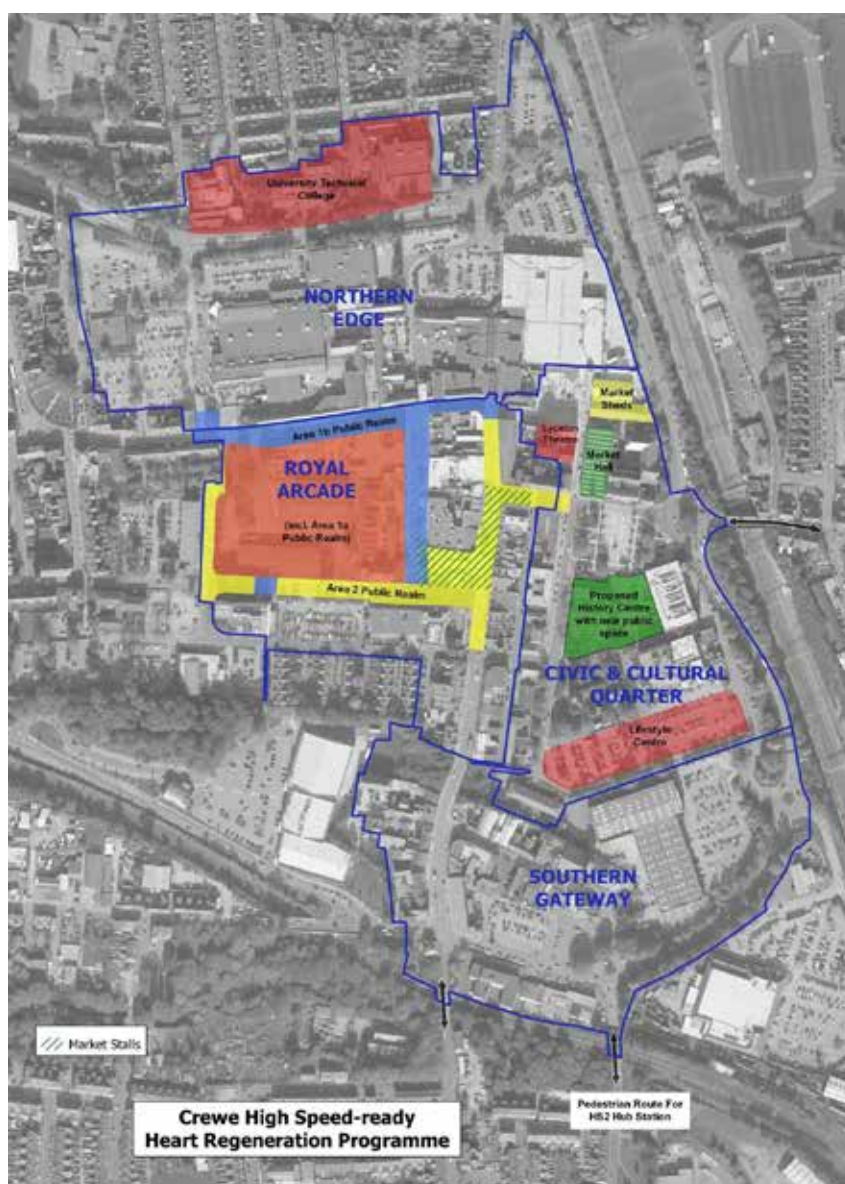
Andy outlines the exciting prospects ahead for Crewe, with the planned HS2 routing. Knowing that property projects can take a long while, and also recognising the importance of planning ahead, significant projects are under way, as well as significant partnerships and planning.

## Background

Crewe, although well-placed with a catchment of 591,000 residents, has, over a number of years, struggled to adapt to changes in the retail sector, which have seen the loss of retailers from the high street for a wide variety of nationally well-rehearsed micro and macro reasons. In this respect, it is unremarkable, as similar challenges have been faced by comparable towns across the UK.

There are a number of significant positives for Crewe. Bentley, a major employer in the town, continues to invest; an ambition from the community for change; the Grand Junction Retail Park, adjoining the town centre, continues to thrive, attracting the demographic the town centre aspires to; the Lyceum Theatre provides a pre-existing leisure offer in the town centre; the town and surrounding area are already experiencing major growth, with large-scale housing developments in a number of locations; finally and by no means least, the advent of HS2, in what is first and foremost a rail town.

A High-Speed Rail hub coming to Crewe presents a significant opportunity to drive regeneration, not only of the town centre, but also the wider town and regionally. There are 2 major pieces of work that are currently underway





that reference and interact with the regeneration of the town centre. These are the Crewe Masterplan and the Constellation Partnership growth strategy. These pieces of work focus on the wider Crewe and the regional opportunity respectively. Clearly any regeneration or development of the town centre needs to interact and be mutually supportive of these wider pieces of work.

### **Crewe Masterplan**

The arrival of HS2 in 2027 to Crewe provides an opportunity for significant economic growth and regeneration in the town and its environs. As a result, a wider masterplan is also required to provide a strategic framework for the town, showing how development and infrastructure can be delivered over time, to capture the benefits of this national investment. This work is currently underway, with a consultation on the wider draft masterplan planned shortly, and builds on the pre-existing work of regenerating the town centre and other pre-existing investments in infrastructure. An effective town centre is a key part of the wider development opportunity and this was successfully articulated by the success in achieving a £10m Local Growth Fund (LGF) investment for the High Speed Ready Heart.

### **Constellation Partnership Growth Strategy**

HS2 is an opportunity of national

significance rightly of interest to other regional partners; seeking to fit the regeneration of the town centre into this context clearly is a significant consideration. The Constellation Partnership is a cross-boundary partnership between 2 Local Enterprise Partnerships and 7 local authorities to plan economic development, with the ambition to deliver 100,000 new homes and 120,000 new jobs by 2040.

The diagram shows the geographic area of the partnership and overlaid is a concept sketch of the opportunities that will flow from the partnership. It seeks to deliver this ambition by creating a coherent investment market with the magnet of high speed rail connectivity. The proposal for the town centre needs to fit into this context and be seen very much as part of a wider opportunity to drive development in the partnership area. A vibrant Crewe town centre clearly is a strategic factor to the successful delivery of this wider piece of work.

For more information on the Partnership visit [www.constellationpartnership.gov.uk](http://www.constellationpartnership.gov.uk).

### **The High Speed Ready Heart then....**

Crewe, like many towns in the UK, has struggled to adapt to the changing retail market place over a long period of time. Overly dependent on the retail element of its offer, it is clear that there is a need to develop a more mixed use approach

in the town centre, putting 'place' at the centre of the approach, where people want to visit and stay for longer. This approach requires a strategy based on increased leisure uses, better facilities and an improved environment and sense of place.

A key factor in delivery has been engagement with local stakeholders and resetting the ambition for the town centre, particularly when considering the failed previous proposals by Modus, which fell away in 2009. A key element of this was to ensure that the scheme developed was achievable, affordable and had elements that were not physically interdependent, but when brought together, created additional value as a comprehensive scheme (The High Speed Ready Heart). Additionally, short-term activities have been undertaken to develop confidence locally that the town centre regeneration is underway, both by engagement and short-term measures on the ground. In addition to this, the masterplan will enable work beyond the current schemes to be articulated - the proposition is not just about the physical works articulated below, but also looks to draw in future investment. A significant early win for the approach was the successful £10m LGF bid, demonstrating national and regional confidence in the proposition.

Earlier work has already been completed in the town centre, such as the delivery of the £15m Lifestyle Centre [Ed – see article in 2017 Summer Terrier] and the £11m University Technical College in 2016. In addition to this (and although not directly linked to the town centre regeneration) £58m is currently been invested in a series of highway improvements in the local road network.

As set out previously, creating a place where people wish to stay for longer is key in delivery of a revitalised town centre and these activities themselves, although notable and a great start, are not sufficient to deliver the required changes in the town centre for the High Speed Ready Heart. The council also has the benefit of owning one of the 2 shopping centres - the dated Royal Arcade (and bus station) - and also owns Crewe Market, a grade II listed market, delivering a traditional market offer.



Royal Arcade



Crewe Market



The Council entered into a competitive process to secure a developer of the Royal Arcade site and is currently working toward development agreement with Peveral Securities Ltd to redevelop the Royal Arcade (the graphic shows an artist's impression of the scheme) and its associated bus station, to deliver a leisure-led mixed use scheme, with an associated multi-storey car park and bus interchange. In addition to this, the council is currently bringing forward a refurbishment scheme for the market, which will see the creation of a flexible events space, increasing usability and permeability, while also retaining a

core market offer (see picture). The council is improving the public realm linkages between these schemes in the town centre. Overall, this presents an investment of around £50m with a mix of commercial, council and LGF investment.

Clearly the above is only a stepping stone in the regeneration of Crewe and the council is now in the early stages of looking at the next series of opportunities that can be enabled by the projects set out in this paper. An example of this is that the council is currently developing a project with partners to deliver an Archive/History Centre, which

is born out of a practical requirement to deal with current archiving arrangements, but with an opportunity to lever in a regenerative benefit.

### **Timing**

We are looking forward to getting these schemes out on site in the immediate future, to continue the regeneration of Crewe. It is planned to deliver in 2018/19 the refreshed market, with an improved offer, and the other town centre work packages of work culminating in 2021. Phase 2a of HS2 is expected in 2027 and Phase 2b in 2033.



## “DONE? YOU CERTAINLY HAVE BEEN!”

Stan Edwards

*Stan, a Caerleon-based Chartered Surveyor, is a Director of Evocati Consultancy specialising in the CPO process and is past visiting lecturer in retail planning and development at Cardiff University. He is an External Examiner in Real Estate /Surveying at the University College of Estate Management/University of Reading. He was formerly Vice-Chairman and now an Honorary Member of the Compulsory Purchase Association. He worked on town centre retail and project managing CPOs for over 40 years in Cwmbran, Land Authority for Wales and the WDA. stanlj\_e\_caerleon@btinternet.com*

In spring 2017 the Terrier featured what Stan thought would be his last on the subject of a decade of the demise of the retail led regeneration CPO – a tale of ‘Unrealistic Expectations’ where the intervention by government funding-fed, retail-led, regeneration CPOs left a legacy of many completed but half let retail schemes. Stan, however, felt compelled to write this epilogue.

I have tracked the Friar’s Walk scheme Newport on a professional and academic level for many years (featured in previous Terriers) and there is now an eventual sale to an investor. The South Wales Argus recently made the headline quote “A Done Deal” in respect of the Friar’s Walk scheme, provoking Fletcher’s quote in Porridge – “Done? You certainly have been!”

No matter how you wrap this up, the rate payers of Newport are now stuck with a rent share agreement, paying a top-up of the rent (termed an investment subsidy) of £500,000 p.a. into the foreseeable future for an aspirational vanity city centre scheme that never did stack up in commercial terms from the outset. It was never adequately appraised for the John Frost Square CPO in 2006 (Newport City Council (Redevelopment of John Frost Square) Compulsory Purchase Order 2006). Time and again promoters of such schemes cannot seem to comprehend the difference between WANT, NEED and DEMAND. The approach would have been different if it was a completely commercially promoted scheme, but this was one delivered by public intervention

through a compulsory purchase order and all the rigors of the public interest that were supposed to accompany that.

### **Well-being and public interest**

The CPO purpose was for redevelopment and the power was appropriate. However, what we have evidence of now, which was wanting all along, was that the qualifying compulsory purchase empowerment by s226 (1)(a) of the Town and country Planning Act 1990 as amended and fulfilled the qualifying well-being condition of s226 (1A) was only half the argument. The public interest, for which there must be a compelling case, is much wider and must look deeper into the collateral impact of the scheme, as to whether it is for the well-being of the citizens or a project focused on just one facet of the town/city. The local authority promoters with an ‘attention bias’ will not investigate far beyond its (with the developer) argument to push the scheme. It is left to those who challenge such a scheme to put up the argument but do not usually have the funds to raise a significant objection or challenge.

The first indicator of doom was the failure of the developer partner, Modus Corovest Newport Ltd, that became unable to fund 100% of the capital required to secure control of the development area. Modus informed the council in 2009 that the previous (original) scheme was undeliverable in the (then) current economic climate. The effect was to take away the developer funding mechanism. Newport City Council then decided to still progress the CPO-based scheme.

The signs were there for all to see. Yes, the economy had collapsed but scheme promoters failed to recognise the change in the pattern of retail shopping and the urban structure. The council had fallen into the trap of attempting the reversal of urban growth. In other words they felt, erroneously, that if they created something attractive enough the shoppers would return. The market had said no and the council did not even seek unfettered independent market advice.

Next came the High Court challenge of Iceland (R (on the application of) Iceland Foods Ltd Claimant v Newport City Council Defendant Neutral Citation Number: [2010] EWHC 2502 (Admin) Case No: CO/2654/2010 in the High Court of Justice Queen’s Bench Division Administrative Court in Cardiff), after which the council wriggled through the comments contained in the Judge’s decision. The Judge read as a whole the relevant reports that Cabinet was being advised “to take a course of action which will best facilitate the carrying out of a redevelopment scheme at John Frost Square”. The Judge’s decision significantly held that the site was to be re-marketed on the basis of existing terms and conditions and that the permitted scheme could (in Cabinet’s view) still viably be delivered, obtaining alternative funding by another developer.

Newport City Council in October 2010 decided to seek another developer partner and ended up with Queensberry Real Estate. The trouble is that undergirding CPOs is a requirement that there must be a reasonable prospect the



scheme will proceed. Did that align with the Judge's comments in the Iceland case? Of course not, but when the council found that the developer could not get market funding, it decided to apply for a Public Works Loan Board (PWLb) loan of £90m to pay for the development to proceed. Remember that this was against what the market was saying and exposed the Newport rate payer to a possible risk of paying off the loan if the wheel came off.

## Perceptual and behavioral biases

Newport City Council suffered what, in terms of real estate behaviour, is termed 'Optimism Bias'. This is also known as a "developer's syndrome" - the eternal optimist who believes it will all work out and then acts in a decisive, committed manner to assure that it does occur. The trouble is that this blinkered approach takes no account of the impact on other businesses in the city, let alone the intense competition in the centre to capture limited consumer spending. These schemes never seem to consider collateral damage.

Below are just some of La Salle's (James La Salle - 'Behavioural Real Estate') behavioral biases that the reader may consider applying to this case or those cases which may be more familiar:

- Anchoring - A tendency of a decision-maker to place extra weight on certain key indicators or factors in making a decision at the expense of other factors
- Attention bias - Looking at something too narrowly, ignoring other elements or attributes that may make a material difference
- Authority bias - This is a risk management technique in which a consumer places more importance on the opinions of experts or others than warranted. If the decision is wrong, the consumer can blame the expert rather than accept personal responsibility for the error
- Bandwagon/herd bias - A tendency to get caught up in the momentum of the market, to defer to others in arriving at a belief; the lemming phenomenon
- Believability bias - This bias relates to whether something is credible, whether it is plausible or within the range of possible outcomes
- Consistency bias - This relates some activity or event to some prior experience or belief to determine whether the perception is consistent with what one believes or expects to be true
- Familiarity bias - This is the tendency to focus on items or attributes with which one has some past experience and/or was helpful in making prior decisions
- Normalcy bias - Failure or inability to plan for the unknown events that have not occurred in the past or in one's experience even though they are plausible and might occur
- Ostrich bias - Ignoring the facts by putting one's head in the sand to make them go away or change the reality surrounding some event or circumstance
- Outcome bias - Judging the quality of a decision by the outcome rather than the decision support; this feeds into "track records" which are widely used in selecting vendors/advisors but are difficult to analyse in terms of attribution (i.e., luck v skill)
- Primacy bias - Placing more weight on recent events than in long-term patterns or trends, as in the case of the record low cap rates leading up to the real estate crash in 2008
- Projection bias - Extending one's own beliefs, opinions or attitudes to others believing they will also embrace them
- Reference group bias - Deferring to the actions or beliefs of others with whom a decision-maker has an affinity or holds in high regard
- Selective perception - This is a filtering technique in which a decision-maker focuses on positives (or negatives) that are consistent with an a priori belief or perception to reinforce that belief, ignoring other facts

- Survivorship bias - Focusing on the winners rather than recognising the losers that fell along the way; failing to recognise the risks associated with various activities or actions.

## The relative success of 'best value'

Newport City Council considers Friar's Walk disposal as a success and in a way 'best value' is because, in its partnership with the Talisker Corporation, the rate payers do not have to pay off the whole of the massive £90m loan. However, the upshot is that Friar's Walk was never in a position to compete its way into success because of Newport's inherent congestion and inconvenience problems, plus other alternative retail opportunities preferred by shoppers (e.g. Cardiff, Cwmbran, Cribb's Causeway, let alone those in greater Newport) - big spending travels by car.

Don't get me wrong, it looks good but it went ahead because of the ostrich mentality of politicians of all shades and regeneration zealots who only wanted to focus on unrealistic aspirations. What was never understood (and not just by Newport but many other authorities as well) is that spending power is finite and has to come from somewhere else to make a scheme tick. In other words, retail somewhere else has to suffer for Friar's Walk to succeed, remembering that shoppers exercise consumer preference. The number of eating-places in the finished scheme demonstrates this. There are too many competing with each other and places outside the centre. If Friar's Walk cannot capture spending from elsewhere it will gradually wither or those elsewhere will close.

The people of Newport will now have the council's budget cut to the tune of £500,000 p.a. for the foreseeable future, just for the sake of some form of signature legacy. We cannot blame any particular political party. These days the public interest is couched in terms of well-being, sustainability and community engagement and planning framework protected by statute. Many times these terms only feature as glib statements and 'Communities First' outcomes is another example of that. Too often it is not market failure that causes the ultimate urban problem but a too eager desire to intervene.



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# LEGAL SNIPPETS

Below is a piece from Mills & Reeve "Property Matters" which is of relevance to public sector property professionals. My thanks to Mills & Reeve for letting me reproduce it. Mills & Reeve Property Matters [www.property-matters-law.co.uk](http://www.property-matters-law.co.uk)

For landlords with telecoms leases: the new Electronic Communications Code came into force from 28 December.

The Digital Economy Act 2017 (Commencement No 3) Regulations 2017 bring the new electronic communications code into effect on 28 December with some significant changes for landowners to be aware of.

The new code will apply to existing agreements subject to some complex transitional provisions, so it will affect you even if your telecoms agreement has been in place for many years.

In general, the new code is like the old, in that there is no guarantee that an owner can obtain vacant possession at the end of the agreement. Owners who don't want to enter into a code agreement can have the rights forced upon them by a court order.

By way of reminder the main differences between the old code and the new are:

1. A fall in rents owing to a different valuation procedure. When valuing the land, you assume that there is no operator who wants to use the land for electronic communications services. The government's view is that the owner ought not to have a "a share of the economic value created by very high public demand for services that the operator provides".
2. The operator can upgrade equipment on site and share occupation of the site without the owner's consent. The operator can assign a lease without the landlord's consent though the landlord can require the assignor to give an authorised guarantee agreement in respect of the assignee.
3. The agreement must be in writing. Both parties must sign it and the agreement must set out the length of the contractual term and any contractual notice period.

4. There is no statutory "lift-and-shift" provision. However, the agreement can contain a contractual provision.

5. A landlord is not bound by any agreement into which their tenant enters unless the landlord agrees to be bound. If the operator does not remove the equipment at the end of the agreement, the landlord must obtain a court order compelling it to do so. This is so even if the landlord is not bound by the agreement.

6. The Landlord and Tenant Act 1954 does not apply to Code lettings.

7. Code lettings have security of tenure similar to the 1954 Act but you cannot contract out of the Code.

It will be some time before we can assess the impact of the changes to the electronic communications code but, as anticipated, it is operator-friendly, and careful consideration should be given by landowners before entering into any agreement which may be caught by it.

## Branches News

### DUNCAN BLACKIE, EASTERN BRANCH AGM and CPD meeting on 1 December 2017

Eastern Branch held its AGM and CPD meeting at County Hall, Chelmsford on 1 December. Over 40 members were in attendance.

Chairman Brian Prettyman opened the meeting. It was reported that branch records indicated that membership now stands at 36. He expanded on the following issues/themes:

- Excellent attendance at CPD meetings in 2017, which appears to have been underpinned by the introduction of the £50 branch subscription. He assumes, from the good attendance, that members find the meetings interesting, informative and relevant. This is in no small part due to the energy and dedication of our branch secretary

Duncan, who has pulled together an excellent programme of speakers and subjects. In view of this success there seems no reason to change the format for the time being

- Branch meetings providing practitioners with support and opportunities for sharing good practice in austere and stressful times. During

this time of substantial change within authorities, and in the way they operate, driven by huge financial pressures, it is all the more important that the membership of ACES provides each other with mutual support and advice, including drawing on the wisdom and experience of our retired members

- The desire to encourage eligible non-members to join ACES and therefore propose to increase non-members' attendance fees to £40 per session (equal to £160 p.a.)
- Payment of an honorarium to the branch treasurer to reflect the additional work he has undertaken in managing the transition to the new branch subscription arrangements
- We have the privilege that the new ACES President is our own, former branch chairman, Neil McManus. The forthcoming 2018 National Conference to be hosted by Neil will be held in Cambridge on 20 September
- Brian's intention to attend ACES national meetings in 2018. Unfortunately, the only National event he managed to attend this year was the AGM on 17 November in Cardiff, when Neil was inaugurated as president. He hopes to do better next year. Several of our branch did attend the national conference in Leeds (thank you Quentin for stepping in and covering for me while I had to give evidence to SCC Scrutiny Committee). I understand it was an excellent event
- Thanks to branch officers/members who have supported him during 2017, including Duncan as Secretary and Richard O'Connell as Treasurer. Duncan is the person who does all the real work and his commitment to organising CPD sessions is outstanding.

Richard O'Connell took us through the branch accounts and reported that trading had been steady during the previous 12 months. Members agreed to maintain the annual branch subscription at £50. This includes lunch and, as

reported by the branch chairman, has resulted in an increase in attendance. It was further agreed that non-members would be charged £40 per CPD meeting (subsequent to the AGM, it was agreed that the Branch Executive would consider concessionary rates for attendees who are ineligible for ACES' membership).

Branch Officers for 2018 were agreed as:-Chair, Brian Prettyman; Vice Chairs, Richard Coombes and Simon Hughes; Secretary, Duncan Blackie; Treasurer, Richard O'Connell. Brian also announced the establishment of a branch executive committee, to include branch officers and county representatives.

ACES National Conference 2018: National President Neil McManus referred to his written update (circulated in advance) and, together with input from Brian Prettyman, expanded as follows:

- The theme will be 'Income generation and revenue reduction'
- Neil is offering sponsorship packages and has received interest from around 6 organisations
- The conference will be held at Downing College on 20 September and will provide a full day's CPD (9.30 – 17.30)
- Overnight accommodation will be available at Downing for Wednesday and Thursday
- A Presidential dinner will be held on Thursday evening, after the conference
- Although the conference is a 1-day event, Eastern Branch will hold a branch meeting on Friday 21, which will be held at Downing College and will be open to branch members and conference delegates/ACES members, including social members. The meeting will fulfil formal CPD requirements. The cost to branch members is to be included in the branch subscription, but it is possible that there will need to be a supplement to cover costs such as hot buffet lunch and

any coach bookings. It will commence with a talk about historic Cambridge, after which the social delegates will depart for a walking tour. The remaining professional delegates and branch members will then participate in an interactive development viability session which will comprise a speaker, followed by facilitated workshops. The meeting will also include either a site visit or possibly a virtual tour by drone. The chairman asked for a show of hands as an indication of support for the proposed format and an encouraging response was received.

Branch Meetings in 2018: 9 February, Guildhall, Cambridge; 27 April, to be hosted by Public Health England at the new HQ in Harlow; 21 September at Downing College, Cambridge; 30 November, options for the AGM were mooted.

The formalities of the branch AGM were followed by 3 CPD presentations.

Iain Mulvey, Business Development Director, Carter Jonas LLP

Iain provided an update on local authority activity in the property investment market titled: 'Income Producing Investment Assets - the brave new world?' This included a review of the recent history of property investment by local authorities, references to specific transactions undertaken and the possibility of changes in regulation that are being considered by DCLG. In this regard Iain suggested that ACES engages with DCLG and encourages a consultation exercise to be undertaken.

Glen Richardson, formerly of Cambridge City Council and now an Associate Director with Carter Jonas LLP

In view of the forthcoming National Conference and Branch meeting in Cambridge, Glen provided a timely presentation on the benefits of a close and on-going integration of land use planning, urban design and master planning for the management, delivery and disposal of public assets. The talk included examples from Cambridge, including the Cambridge rail station and



the new Cambridge North Station, the Cambridge “southern fringe” and the Mill Road Depot.

Ian Winslet, Regional Director, Ark Consultancy and Louise Rawsthorne, MD BMS Invest

Ian has been providing Babergh & Mid Suffolk Councils with advice and support in setting up their now operational CIFCO (capital investment company). Ian provided a detailed presentation which included references to:

- Structure, capital and investment objectives - Ian made the point that the CIFCO is focussed on profit only (the councils employ other vehicles to deliver regeneration and social housing, for example)
- Business model, including yield targets and returns to the investing authorities - Ian advised that

these will accrue from the lending margin charged to the CIFCO (having regard to compliance with State Aid rules without charging excessive interest) and dividends to be declared. Ian also explained how the CIFCO is setting out to acquire a well-diversified portfolio allocated within core, core plus and opportunistic categories

- Risk management and exposure - Ian explained how risk management practices are being developed, including stress testing and consideration of lot sizes, geographic and sector factors, as well as consideration of multi-variant risk posed to the investing authorities across the various vehicles and classes of asset they are holding.

Louise went on to explain that BMS Invest is the vehicle through which Babergh and Mid Suffolk District

Councils invest in various asset classes and commercial ventures for a range of well-defined purposes including profit, social housing, asset enhancement and regeneration.

Louise provided a detailed explanation, including lessons learnt, of procurement, stakeholder management, operational management and engaging specialist support. She also explained how, after 2 years in operation, BMS Invest is giving serious consideration to brand management/reputation and is building management and specialist skills within the core team, through the transfer of knowledge from specialists.

There followed a lively 30-minute debate and contributions from the floor, chaired by Brian Prettyman. The meeting closed at 13.00 and was followed by a buffet lunch. We thank our hosts, Essex County Council for a superb meeting and networking.

## Other interest areas

# TWO LIVES IN THE DAY OF A PUBLIC SECTOR SURVEYOR

Bernard White FRICS

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*Bernard is a Past Member of ACES and a St. Helens Rugby League Fan.*

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As most regular readers will know, the National Conference in Leeds in late September 2017 was well attended by members/retired members and colleagues from near and far. There was a particularly good turn-out over the 2 days from Leeds City Council and not just to give support to the speakers they fielded. One of the Leeds attendees was James Child MRICS who is employed by the council as a part-time surveyor, active in the council's property disposal programme. Nothing odd there then, given the content of the programme, the location and also the chance to gain good CPD. However, that was not the only “life” James had that day. The other was to act as referee in the Castleford



In action in the 2017 Super League Grand Final



Ready to take to the field, Rugby League World Cup 2017

Tigers v St Helens Super League rugby league semi-final, some 20 miles down the road in Castleford's Mend-a-Hose Jungle ground.

As the item in 2017 Autumn Terrier by Mike Ackroyd mentioned, I am a keen St. Helens rugby league fan, so readers will now see how the article (readily agreed with James) comes about. At the Leeds Conference, I was "floor walking" (as the then President put it) when I noticed James arrive, and pick up his badge and delegate pack. Just before the opening address by Daniella, I took my place towards the rear of the room and found that sitting quietly just behind me was James (he can be spotted in that position on the cover of the Autumn Terrier). I couldn't resist the temptation to say hello (and some naff remark about not recognising him at first in a suit!). I then asked if he was officiating at the weekend, to which came the reply "tonight actually, at Castleford". Bearing in mind the ethical responsibility that a chartered surveyor has, I quickly explained to him that I was a St Helens fan, which was met with a broad smile!

I had a better chance to have a chat with James over lunch and found it most interesting and enjoyable.

He qualified as a surveyor in 2010, undertaking his APC at Park Inn Heathrow, an "experience" he says he found quite daunting (interesting to me as I have chaired – "refereed" - many APC assessments at that venue). It was fascinating to compare and contrast the role off the pitch of a rugby league referee with that of one in Premiership football (having seen a group of the latter at Warwick University when I was there doing APC Assessments a few years ago). James is part-time with Leeds City Council to allow him to fulfil his role as one of the top rugby league referees, a situation which his employers happily endorse (and not just because Leeds is in the rugby league heartlands). In terms of the game that evening, I wished him well, but also said that if he was back at the Conference for Day 2, not to let me know the result as I had set the recorder at home, given I was going to the conference dinner! He said that from his perspective, he was looking forward to the game and just hoped it wasn't decided on a controversial moment. As it happened, he wasn't there on Day 2, as the day after a game, there are reports to write, assessments to cover etc.

In a subsequent email exchange, James did say he wondered after the game if

I avoided knowing the result before I watched the recording; for the record, I had and for those non-rugby league followers reading this, Castleford was losing by 2 points as the game entered the final minute. They were then awarded a penalty by the referee (correctly, I will add, even as a Saints fan) and went on to win the game in "Golden Point" extra time, by the margin of one point, courtesy of a drop goal from Luke Gale.

James was back at work the following week, but then off on the Friday, as he had been awarded the role of referee at the Grand Final at Old Trafford (75,000 sell-out crowd) between Castleford Tigers and Leeds Rhinos. It pains me as a Saints fan to say that Leeds won. While the domestic season ended there, his season didn't, as he was then appointed to the panel of international referees for the 2017 Rugby League World Cup based in Australia/New Zealand and Papua New Guinea. He refereed 2 pool games - New Zealand against Samoa and Australia versus Lebanon, before refereeing England's quarter final match against Papua New Guinea.

His first senior game as referee came in 2006 with Gateshead Thunder v Workington Town (considered a local derby albeit the teams are some 90 miles apart across the country!). His first Super League game as referee was Wakefield Trinity v Catalan Dragons (so a command of broad Yorkshire/ French and Strine - given the number of Antipodeans who "ply their trade" in France - must have helped). A few days later, and perhaps with more eloquent "chat", as the annual Oxford v Cambridge Varsity Rugby League match came under his control.

James tells me that clearly the 2 "lives" are quite different in many ways, but equally, there are quite a number of similarities. Both have clear rules and while there can be a degree of "interpretation", both equally come under scrutiny, be it say s123 of the Local Government Act 1972, or the crowd; and indeed, in televised games, the video referee.

As an aside, having agreed the basis of the article with James, I have asked him for a few memorable moments.

Best venue refereed at: As a venue, Wembley is probably the best, although in terms of atmosphere, the Super League Grand Final at Old Trafford is usually deafening.

Best game: The Castleford v St Helens semi-final this season was special – it was probably one of the best games in the history of Super League and it was a privilege to be a part of it. I've been lucky enough to officiate at every major domestic and international final too, so in terms of their significance, refereeing my first Grand Final this season ranks up there with touch judging my first Challenge Cup Final, and 2008 and 2013 World Cup Finals.

Most enjoyable regular venue: It wouldn't really be equitable to select a Super League venue, but any ground where there's a full house to generate a great atmosphere always gives it that big game feel.

How far do you run in the average game: Typically around 9km as referee and about 7km as a touch judge.

Funniest moment: I was injured in the first half during the final round of the 2009 Super League season in a game between Castleford Tigers and the now defunct North Wales Crusaders. I snapped a metatarsal in my foot during the first half and somehow managed to limp through to half time, but not before I sin binned the home side's captain. Needless to say, when the PA announcer told the crowd I was being replaced at half time it got the loudest cheer of the day! What didn't help was my coach said as a joke that he'd subbed me, only people actually believed it! I later played a bit-part role in Emmerdale as a paramedic, despite my broken bone!

I would like to thank James personally for being a good sport and agreeing to the article. I have had to promise not to

bring his judgement into question next time I am on the terraces and he is "the man in the middle". However, I might just suggest he would make a better job of valuing the ground rather than refereeing on it!

Footnote: As an APC Assessor I did refer a well know rugby union international, not once, but twice. And before the "15 a-side brigade" start to complain, it was nothing to do with him playing for rugby union with a different code to rugby league. That said, when I last checked, "to be 10p behind him" (as the saying goes) – despite not passing and therefore not being qualified - he had obviously made his way in life.



This is not a true story but was based on experiences Dave had while at the district council in Cumbria.

## THE FINAL VOTE

Dave Pogson

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*For 50 years until retirement Dave practised as a surveyor in Lancashire and Cumbria, becoming a Fellow of the RICS and working for the Department of the Environment, Lancashire County Council, South Lakeland District Council and the NPS Group. During that time, he wrote articles on surveying topics and work experiences which allowed him to introduce some controversy, humour and the odd bit of fiction.*  
<https://davidlewispogson.wordpress.com>

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As Selwyn waited for the question he looked around the council chamber. It was packed with the members and chief officers of Herdwick District Council. The seats on the press bench were full from the overspill of the public who could not fit into the gallery above him. All were waiting to hear what he had to say. He reflected upon the importance of his evidence. Then he looked back at the Chairman, ready to answer.

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One month earlier, Selwyn had attended the last Property Committee meeting before the change to the new cabinet system introduced under the Local Government Act 2000. He expected it to be lively. That committee had only one item on its agenda; approval of the terms for the sale of council-owned grazing land off Sparrow Hawk Lane in Shepdale to Twosheds Housing Association, to build 120 affordable homes to rent for local people nominated to the tenancies by the

council. It would be the biggest housing scheme to be built in the district since the council-estates of the 1950s and certainly the most controversial. The residents of the adjacent Sparrow Hawk council housing estate (now mostly privately-owned because of Right to Buy), as well as the owners of the wealthier residences nearby, had formed an ill-fitting alliance to frustrate the disposal process at every stage.



The planning application submitted by the housing association had been a bitter, hard-fought 3-year battle before consent was finally granted. Now those residents were pinning their hopes on the recent electoral changes within the council membership which, although not significantly altering the balance of the hung council (the Tories being the largest party but without an overall majority) may have brought fresh minds to the decision-making process. The planning decision could not now be overturned. However, the original decision in principle by the Property Committee to sell the land subject to planning consent being granted, taken 3 years ago, could still be reversed, or the recently-negotiated terms on which it was to be sold could still be rejected.

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Selwyn, the council's Property Manager, was a grizzled veteran of many lengthy property battles and thought, as he neared retirement age, that he'd seen everything that there was to be seen in local government; many things too frequently, which was a sure sign that it was time for him to call it a day. As he'd aged it had become harder to do the job. Once planning consent would have been a quick and simple task; mark an area with a red line on a plan, fill in a foilsap form and seek an outline decision from the planning committee. Now it was impossible to obtain outline consent. Instead, the planners needed full development layouts, ground contamination investigations, traffic-impact studies, environmental impact studies, flood impact studies, housing needs surveys and the rest before any application would be considered.

It was the same with the land sale negotiations. No longer could Selwyn just identify the land on a map, stick an advert in the local paper and invite bids from the local builders. Now, special terms had to be inserted to restrict the houses to local people only, to rented housing only, to main residences not second homes, to special mixes and types of houses to meet varying local need, with clawbacks so that the houses could not be sold off for profit by the housing association further down the line, and with reserved nomination



rights so that the council could decide who was local and who was best qualified among those locals to be given the tenancies. While Selwyn was at the height of his experience as a surveyor, he was in the depths of his energy levels as an employee; his enthusiasm had started to erode when the emphasis had changed from getting the best deal for the council to getting the best solution for the community. It was not that he disagreed with the principle of providing affordable homes; it was just that he had seen it all before and seen it done simpler and better in the past, when the council had built and managed its own council houses. Now the partnership developments with housing associations made the process expensive, overly complex to achieve, and remote from democratic accountability once the land was sold.

He had presented his report on the negotiated terms for the sale of the land at Sparrow Hawk Lane to the Property Committee in the council chamber. It was a lofty, rectangular room converted from a former Sessions Court within the Victorian town hall in Shepdale town centre. The room had small, ceiling-level windows (to prevent prisoners escaping from the former courts) which could not be opened. The town hall's ancient central heating system, supplied by a boiler that could have powered the Titanic but which lacked sophisticated temperature controls, made the room stuffy and uncomfortable.

The committee chairman, the council's solicitor and Jim, the committee clerk, sat behind an oak-panelled bench on a raised platform across one end of the room. Below them, at the far end of the room behind a matching bench, sat the local press representatives. They had strolled in from the main town hall corridor with the members of the committee, who now sat in the central well of the room behind rows of similar fixed benching but facing each other, with their agenda papers resting on the bench surfaces. The public sat above them in a panelled gallery running along one side of the room, accessed by a staircase leading from the main corridor of the town hall. Selwyn could look up and see them above him from his seat behind one of the members' benches in the central well of the chamber at the extreme end nearest to the chairman's platform. The committee was not well-attended. Jim checked the absentees and confirmed that there was the necessary minimum number present to provide a quorum to make the vote legal under the council's constitution.

Selwyn noticed that Councillor Cedric Symons had walked to the end of the members' row opposite him, under the gallery, and was now sat on his own directly facing him.

Cedric was a pleasant character, rumoured to be almost 90 years old. Recently widowed, he now lived alone outside Shepdale but still looked after himself well. He was small and neat and



always wore a suit, shirt and tie to the meetings and, being quiet and dignified and polite, he kept his own company and his own counsel. He had served his local, rural ward for the last 40 years as an Independent. Selwyn wondered why Cedric kept turning up to meetings. How did he raise the enthusiasm to want to bother at his age? He thought that Cedric had aged since he had last seen him. It had been noticeable over the last couple of years that Cedric had virtually ceased to contribute in debates and often, with his eyes closed, appeared to be asleep through many of the meetings, sometimes missing the vote although, to be fair, always participating on issues that affected his ward. Cedric pushed his chair back, rested his head and shoulder against the corner panelling behind him, closed his eyes and succumbed to the warmth.

The chairman opened the meeting, speaking about how important the development would be for those in housing need within the district and then invited Selwyn to summarise his report on the detailed terms. Then the chairman invited comments from the members. A newish Liberal stood up to speak. Selwyn guessed that he was one of the recent election's annual intake. The council elected one third of its members every year for 3 years with no elections in the fourth year in a rolling process, rather than electing the whole membership every 4 years.

The new member received a cheer from the gallery. He began to review the faults in the planning decision, to rubbish the housing needs evidence and to protest at the negotiated terms. His main arguments were that the houses were not needed, that this was the wrong site, that the impact upon the local roads and schools would be unbearable, and that none of the surrounding residents wanted to live next to houses occupied by ex-offenders, drug addicts and off-comers. Further loud cheers followed his main request; that the committee should refuse to sell the land and so prevent the development. As he sat down, spontaneous applause and cheering broke out from the gallery. A few members broke with protocol and joined in.

The chairman called for silence, reminding members of the standard of behaviour expected of them. Hands went up and the chairman selected someone that he knew would put the opposite view. That view was not well-received in the gallery. A pattern was established: applause and cheering for those speaking against the sale and booing and shouting insults at its supporters.

Herdwick was a large but relatively sparsely-populated rural district with Shepdale, its largest town, set in the centre. Its scenery attracted second home and holiday cottage buyers, pricing out the locals and consequently forcing village schools, post offices, surgeries and pubs to close from a lack of all-year round business. Right to Buy sales had decimated the rented council-housing stock. New affordable rented housing was needed to stop younger people from leaving, to balance against the problems of an ageing population and to keep the services and amenities in use. All parties wanted more affordable housing, but whenever a site was selected there was always opposition.

Selwyn despaired of the members. 'They all want affordable housing but not on that site and not on that site and, oh no, definitely not on that site, that site or that site' had been Selwyn's sarcastic summary to Jim at a previous meeting. He found himself wondering how he could find a way to retire early with an enhanced pension like the former chief executive had managed to arrange for himself.

Because the council was 'hung', the balance could be tilted by a few Independents and they were spread across the various committees. Having no majority party in control made for weak and inconsistent decision-making.

And so it had proved to be in respect of the vote for the Sparrow Hawk Lane land disposal at the Property Committee meeting. The protestors had worked on the members, either persuading some to stay away from the meeting or influencing the vote of those attending. Jim leaned forward over the front of the platform and took the count on the floor,

noting the names for each raised hand. Five in favour of the motion to sell the land on the terms negotiated, 6 against. Cedric had not voted. The crowd in the gallery buzzed in anticipation of an upset. The chairman called the meeting to order.

'As a member of this committee I have a vote on the motion.' He paused, 'And I vote in favour. Also, as chairman, I have a casting vote.' Another pause, 'Which I also vote in favour. Therefore the proposal to sell the land is approved by 7 votes against 6.'

There was a moment of confused silence and then murmuring before pandemonium broke out in the gallery as his words sank in – shouting, gesticulating, stamping of feet on the wooden floor. The newish member threw his agenda papers across the room. He started yelling at the chairman. His supporters rose with him. The chairmen shouted that the meeting was closed, retreating through the door behind him, quickly followed by the solicitor and Jim. The other members rushed towards the door into the corridor, some to escape before the crowd could descend from the gallery and others to meet the crowd to bemoan the decision. The press chased them to catch the quotes. Selwyn followed them out but walked along the corridor in the opposite direction back to his office. The town hall custodian switched off the lights at the exit and quickly locked the doors to prevent anyone returning to the chamber from the corridor, fearful that some malcontent might wander in there to cause some damage.

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'The vote has been challenged.'

Chairman of council was a hard-bitten, experienced politician. Selwyn had been called to his office for a private meeting.

'Jim has taken statements from everyone present at that last Property Committee meeting. All but yours are useless as evidence. The public couldn't see from the gallery. Those on the top platform as well as the press bench were too busy

checking the raised hands and recording names. The members were too busy ensuring that they were seen to have voted to notice anything. Besides, all the members and the public have a vested interest in the outcome so are not reliable witnesses.'

'What do you want from me?'

'Those Members against the motion have claimed that there wasn't a quorum. They say that the decision is invalid because, technically, there were not enough members present. The council's solicitor advises that we establish the facts and put them to the full council. You were sat directly opposite Councillor Symons and saw what happened when the vote was taken.'

'You've had my statement. I'm a professional. I'm not prepared to lie.'

'You're not being asked to lie. However, it would help the council enormously to have the original vote upheld. There is a way to achieve that. To have the decision overturned would be a loss of 120 much-needed houses. It would also cause conflict with our housing association partner. They've relied on our in-principle decision from 3 years ago to sell them the land, spending thousands of pounds in fees for architects etc to obtain planning consent and they may well ask us to compensate them for any act of bad faith. Likely we cannot refuse if we ever want to work with them again. There's also a lot of housing association grant at stake that otherwise won't be spent in the district and some construction jobs and apprenticeships that won't happen. I've read your statement: your evidence could prevent that.'

'It's the truth.'

'Yes, but it says too much. I'd like you to remove some ... er ... small irrelevances.'

'I've been thinking about early retirement. Isn't the new chief executive looking at a small reorganisation scheme for the council's departments?'

'That's certainly something we can discuss.'

'Okay, tell me which bits of my statement are irrelevant.'

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'Did you see Councillor Symons sit up and open his eyes when the vote was called?'

Selwyn could sense the chairman mentally willing him to give the right answer.

'Yes.'

The custodian had locked the council chamber immediately after the Property Committee meeting. Cedric's car had stayed on the council car park all weekend. No-one had reported him missing. When the cleaners had opened the council chamber on the following Monday morning, he was seated at the end of the bench, leaning against the end panel with his eyes closed and his agenda papers on the benchtop in front of him exactly where he had been when the vote was taken.

'Thank you Selwyn. I'd now like to sum up before asking for a vote. Normally, under delegated powers, the Property Committee's vote to sell the land at Sparrow Hawk Lane would be binding on the council. However, there's been a challenge on the basis that Councillor Symons died before the vote was taken and that technically there was not a quorum, thus making the vote invalid under the constitution. The pathologist cannot say precisely when Councillor Symons died, but confirms that it was of natural causes. The council's solicitor advises that the matter must be decided on fact. If Councillor Symons was alive when the vote was called then, regardless of whether he voted or abstained, a quorum was formed. You have all had an opportunity to read the statements of those present. You will see that the only statement of any direct relevance is the one from the council's Property Manager. You have heard him confirm what he saw. You now know that Councillor Symons was alive at the time of the vote.'

'I stress that what you are being asked to decide today has nothing to do with the intention to sell the land or the

terms upon which it is to be sold. On that matter, regardless of your wish to support or oppose the land sale, you are expected to put all political or personal feelings aside. You are asked to decide upon a matter of democracy and that rests upon a matter of fact. The Property Manager has no personal or financial involvement with the land sale or the housing development. His job was to negotiate the terms of sale on behalf of the council and that job has now ended. Therefore it is a matter of fact that if the Property Manager says that Councillor Symons was alive when the vote was taken then we have to accept that statement without question.'

'Accordingly, as Chairman of the council, I direct you to find that the Property Committee vote was lawful and ask you to confirm that by the usual show of hands.'

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Selwyn sat in his office with a box of his possessions, a card and some presents on his desk. He could hear the chink of wine glasses and muffled laughter outside his door. The last 6 months had passed quickly. He had no conscience about the irrelevances that had been deleted from his statement. He'd been a negotiator long enough to know that everything in life was a deal; that not to reveal all his information was not a lie, that the revised version had still been truthful, if only a little shorter than his original version. It was for others to use that information and look to their own consciences. The chairman of council had certainly used it for his own ends. Besides, Selwyn hadn't wanted to see 3 years of his work on the land deal end in failure. And what would it have achieved anyway? One side or the other had to lose; whether it was the residents opposed to the development or the people in need of affordable housing, he couldn't please both. The latter seemed to him to be the better cause to support.

In any event, Councillor Symons may well have been alive after the vote. When asked, Selwyn had confirmed Cedric's eyes opening and him sitting up. The momentary grimace on Cedric's face could have been discomfort. The sweat on his forehead, running down

his face, could have been from the warm conditions. The arm quickly reaching up inside his suit jacket could have been searching for a pen. Selwyn had not been asked about those small irrelevances. They didn't mean that Cedric had died exactly at that moment. At the time, caught up in the counting of the vote, Selwyn hadn't consciously registered those signs. It was only

afterwards, when he'd heard about the body being found, that they had come to mind and he'd realised the possible significance of what he'd seen. Anyway, it wasn't conclusive. Cedric may just have been uncomfortable or feeling poorly. He'd slumped back down to his resting position immediately afterwards. It didn't mean that he wasn't fit to vote at the exact time

that the vote was called. Besides ... he usually abstained on matters not directly affecting his ward.

Had he been aware, he'd have preferred that Cedric had not been locked in there all that weekend. But there was no point in letting it spoil his early retirement. He raised his glass and offered a silent toast 'to Cedric, wherever you are'.

## THE GLOUCESTER GLADIATOR

### POSSESSORY TITLE – OR SOMETHING LIKE THAT

There it sits, as it has done for the past 35 years, on the shelf in my study. I refer of course to my Roberts radio. A Christmas 1965 present which has seen me through secondary schooling, university, work, and now into retirement. What tales it could tell, and how it mirrors its owner's life. Furtive diallings under the bedclothes tuning in to Radio Luxembourg; crowding round in the sixth form listening to Tony Blackburn launch Radio 1 mark out its youth. Its leather casing is faded now; lingering faint specks of green paint bring back memories of decorating a derelict student flat in Gunnersbury, West London to render it habitable; the turntable it sits on has long since stopped functioning; and its handle is bound together with tape, although this is now rarely needed. It's outlived several successors, and now enjoys semi-retirement, permanently tuned to Radio 5 Live. It looks on in stoic disdain at recent retro versions with their FM and DAB facilities, and its crackles give it an authentic feel I can relate to.

In my bedside cabinet sits a tin. Originally holding toffees, I think, with a picture of Conway Castle on its lid, if my memory serves me right. It has long since lost touch with the lid, punctured with a protractor following a primary school brawl. It has seen service as a pencil case and more recently - well these past 40 years or so - as a holder of knick knacks (does anyone know the

difference between a knick and a knack by the way?).

In the attic somewhere at the bottom of a cardboard box lies a copy of Parry's Valuation Tables and other assorted learned tomes which aided, in theory, the accumulation, such as it was, of my property-related knowledge. How much of it was ever relevant in actual practice must be open to conjecture. Parry's was jointly owned (we couldn't afford our own copies) with a university flat mate who later went on to become President of the RICS. I must ask him one day if he wants his half share back.

In a cupboard in the garage, slowly mouldering away, I've unearthed a library copy of Muir Watt's Agricultural Holdings, an alternative to the more popular Scammell and Densham's, which remains a standard work of reference for all agricultural valuers. Its booking-out date was April 1988; perhaps I'll return it on the 30th anniversary and see what the accumulated fine amounts to.

Pride of place, and now rightly restored to my own library, is a copy of "New Directions in Public Services", a compilation of articles written by prominent practitioners of the day in 1990, to celebrate the centenary of county councils. Modesty constrains my promotion of the chapter devoted to the history of The County Farms Service, but

re-reading it now after the passage of so many years, I was struck by how little has actually changed and how many of the challenges referred to then remain relevant today.

Continuing the book theme, for the past 40 years I have been on a mission to collect the complete works of A.G. Street, a renowned countryside writer and early farming broadcaster from the 1920s through to his death in 1966. I now have 32 of the 36 books he wrote, but finding those elusive 4 has become an increasingly difficult challenge. I suppose, though, that securing the full set would be an anti-climax - the thrill of the chase and all that. His writings are, in my very humble opinion, some of the finest in the English language, at least in terms of describing farming life from the early 1900s through to the 1960s. In "Farmer's Glory", written in 1922, his concluding comment summed up what I would like eventually to be my own epitaph: "The only failure in life is giving up. On looking back let it stand to our credit in life's balance sheet that at least we tried, and tried hard."

Life is an accumulation of experiences, memories, and emotions, but possessions provide a tangible link to events which help shape a character and make us the people we are. I'm loath to discard them: they are part of who I was, am, and I suppose will continue to be.

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- Strategic portfolio analysis and multi site agreement negotiation
- Technical consultancy: upgrades, wayleaves, variations and assignments
- Lease advisory: renewals, regears, new lettings and rent reviews
- Full asset management, including treasury services
- Relocation or removal of operators to enable redevelopment
- Portfolio marketing and agency

For more information please contact:

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